

MEETING OF THE CITY COUNCIL
CITY OF UNIVERSITY CITY
CITY HALL, Fifth Floor
6801 Delmar Blvd., University City, Missouri
63130
Monday, March 11, 2024

AGENDA

A. MEETING CALLED TO ORDER

At the Regular Session of the City Council of University City held on Monday, March 11, 2024, Mayor Terry Crow called the meeting to order at 6:30 p.m.

B. ROLL CALL

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

Councilmember Stacy Clay
Councilmember Aleta Klein
Councilmember Steven McMahon
Councilmember Jeffrey Hales; (*excused*)
Councilmember Dennis Fuller
Councilmember Bwayne Smotherson; (*arrives at 6:36 p.m.*)

Also in attendance were City Manager, Gregory Rose, City Attorney, John F. Mulligan, Jr., and Director of Finance, Keith Cole.

C. APPROVAL OF AGENDA

Mayor Crow noted that during the Study Session, Councilmember Clay had asked that Items K (1); Underwriter Engagement Letter for potential issuance of Certificates of Participation (COPS), and K (2); Rating Study for Certificates of Participation, be moved from the Consent Agenda to the City Manager's Report. The motion was seconded by Councilmember Klein and carried unanimously.

Councilmember McMahon moved to approve the Agenda as amended, it was seconded by Councilmember Fuller, and the motion carried unanimously.

D. PROCLAMATIONS (Acknowledgement)

None

E. APPROVAL OF MINUTES

1. February 26, 2024, Study Session Meeting Minutes (Community Survey Results); were moved by Councilmember Klein, it was seconded by Councilmember McMahon, and the motion carried unanimously; with the exception of Mayor Crow.
2. February 26, 2024, Meeting Minutes were moved by Councilmember Fuller, it was seconded by Councilmember McMahon, and the motion carried unanimously; with the exception of Mayor Crow.

F. APPOINTMENTS TO BOARDS AND COMMISSIONS

1. Larry Zelenovich is nominated for reappointment to the Traffic Commission by Councilmember Dennis Fuller, it was seconded by Councilmember McMahon and the motion carried unanimously.

G. SWEARING IN TO BOARDS AND COMMISSIONS

1. Grace Fitter was sworn into the Arts and Letters Commission on March 5th in the clerk's office.

H. CITIZEN PARTICIPATION (Total of 15 minutes allowed)

Procedures for submitting comments for Citizen Participation and Public Hearings:

Request to Address the Council Forms are located on the ledge just inside the entrance. Please complete and place the form in the basket at the front of the room.

Written comments must be received **no later than 12:00 p.m. on the day of the meeting**. Comments may be sent via email to: councilcomments@ucitymo.org, or mailed to the City Hall – 6801 Delmar Blvd. – Attention City Clerk. Such comments will be provided to City Council prior to the meeting. Comments will be made a part of the official record and made accessible to the public online following the meeting.

Please note that when submitting your comments, a **name and address must be provided**. Please also note whether your comment is on an agenda or a non-agenda item. If a name and address are not provided, the comment will not be recorded in the official record.

Citizen Comments

Chris Blumenhurst, 6615 Waterman Avenue, U City, MO

6826 Chamberlain Court Avenue, which was built in 1873, making it the oldest home in the community. So, the history of this home needs to be known and cherished by all. He stated as the President of the Sutter Meyer Society's Board of Directors, he would like to acknowledge all of the other members in attendance whose support has helped to maintain this home for the last 15 years. The Board welcomes visitors to the Sutter Meyer Farmhouse and strives to educate and expose students to U City's diverse history through curriculum, tours, and activities.

Sutter Meyer is also part of a larger organization called Historic St. Louis which represents 35 historical sites in the surrounding area. Mr. Blumenhurst stated the Sutter Meyer Home is a landmark that needs to be supported by citizens, and with the City's assistance the Board believes they can make this important landmark even more meaningful.

Diane Davenport, 784 Yale Avenue, U City, MO

Ms. Davenport stated she is a very proud Board member of the Sutter Meyer House and would invite everyone to visit and see the progress they have made.

Jerrod Tiers, 7345 Chamberlain, U City, MO

Mr. Tiers stated at the last Council meeting Mr. Sullivan complained that the City was not doing anything to fill vacant storefronts in The Loop. And while Council's follow-up to those comments noted that the City could not force landlords to rent out these spaces, in his opinion, that is not really the point. Because even though the City can't force landlords to take action, it can discourage this behavior by offering incentives or other measures associated with filling vacant properties.

- The City can reach out to landlords to find out why a space is not being rented. And if it turns out that they believe the City is creating problems that inhibit renting, work to correct the problem.
- Development is another way to encourage more rentals. Development begets more development, and businesses follow development to service that development. One thing is certain, landlords will rent space if the area is popular and there is a demand for rental space. Demand feeds on itself, but it needs a starting point.

For instance, the new apartment building is one potential driver for Loop businesses. And although the drive-in/drive-out drive may not generate much foot traffic, it has the potential to bring a lot of prospective customers to Delmar.

And the hotel that was proposed several years ago could be an even better stimulus. Hotel guests are natural customers for nearby restaurants.

Of course, the area needs to be perceived as safe. U City has the reputation of being where you go to get shot, which is certainly unfair since the Grove is still reasonably popular despite its two or three recent shootings. So, a more visible foot patrol could go a long way towards changing perceptions about The Loop.

Mr. Tiers stated no area is exempt from change. Popular places need to be reinvented from time to time to stay relevant. U City was lucky to have Joe Edwards to do its reinventing in the 1970s when Delmar was mostly boarded up with plywood. But now it is your turn to reinvent The Loop. Other municipalities have done just that, and you can talk to them for ideas. The U City Loop is the signature business district for U City, so the question you should be asking yourself is; does this administration care enough to make The Loop a priority and put some serious time and work into rejuvenating it?

I. COUNCIL COMMENTS

None

J. PUBLIC HEARINGS

None

K. CONSENT AGENDA - (1 voice vote required)

1. Stifel - Underwriter Engagement Letter for potential issuance of Certificates of Participation (COPS) - *(moved to City Manager's Report)*
2. Rating Study for Certificates of Participation - *(moved to City Manager's Report)*
3. Fund Transfer - Central Garage (Fleet)
4. Millar Park Baseball Field Improvements

Councilmember McMahon moved to approve Items 3 and 4 of the Consent Agenda, it was seconded by Councilmember Fuller and the motion carried unanimously.

L. CITY MANAGER'S REPORT – (voice vote on each item as needed)

1. Stifel - Underwriter Engagement Letter for potential issuance of Certificates of Participation (COPS)

Mr. Rose stated staff is recommending that Council consider using Stifel as the underwriter for the Letter of Engagement for issuance of the Certificates of Participation.

Mr. Cole stated the issuance of these Certificates of Participation will be used to fund the Police Annex and Trinity Renovation projects.

Councilmember Clay stated while he thinks many are familiar with bond issues as a mode of financing capital projects, the use of COPS may not be as familiar. So, for the benefit of residents, he would like staff to walk through what COPS are; the City's role; the advantages, and the disadvantages when pursuing this particular mechanism.

Mr. Cole stated COPS is a lease-back agreement where the City leases the asset; in this case, the buildings, from the bank, and financing is secured by lease payments rather than debt interest. The bank maintains the title to the asset until the final payment is made. Once that final payment is made, the leased property is converted back to the City.

- COPS are repaid with annual appropriations approved by Council. General Obligation Bonds are backed by the City's credit and are typically repaid with property taxes.
- COPS provide flexibility in the structuring of payments. Bonds have a 20-year max in the structuring of payments. COPS provide flexibility and allow you to extend the payment period up to 25 or 30 years.
- COPS do not require voter approval. Bonds require 4/7ths or 2/3rds approval depending on the election cycle and the month it is being held.
- Bonds are funded through property taxes. COPS are funded by various revenue sources, i.e., the general fund, capital improvement fund, sales tax fund, et cetera.

Mr. Rose stated General Obligation Bonds typically result in an increase in property taxes to retire the debt. However, the advantage of utilizing COPS is the ability to use existing revenue streams so that there is no increase to the residents of U City.

Mayor Crow stated he does not think either of these options has been utilized since 2008 when the General Obligation Bond for the parking garage retired.

Councilmember Clay posed the following questions to Mr. Cole:

Q. Is this the crux of the proposal; that the City will be leasing the buildings scheduled for renovation to the bank, the bank holds them for collateral, and once the certificates are paid off ownership reverts to the City?

A. That is correct.

Q. Plus, the repayment of COPS is more flexible than a bond and it has no potential tax implications for residents?

A. That's my understanding.

Q. Has staff identified any potential revenue sources for repaying the COPS?

A. Yes, we are looking at using the capital improvement sales tax fund, public safety sales tax fund, and the general fund.

Councilmember Smotherson posed the following questions to Mr. Rose:

Q. Are the park funds being considered as a potential revenue source?

A. At this point it has not been included. However, it is an option that I intend to explore with the City Attorney since the police are required to secure the City's parks. It's a policy decision that ultimately will have to be made by Council.

Q. Is the TIF financing which gets distributed into the general fund being considered as a potential revenue source?

A. Yes.

Q. Is it the City's intent to use TIF monies to repay this debt?

A. TIF monies are not delineated as a separate fund; they just go straight into the general fund.

Mayor Crow asked if the rates for both instruments were relatively the same? Mr. Cole stated that he could provide the rates after tonight's meeting.

Councilmember Klein moved to approve, it was seconded by Councilmember McMahon, and the motion carried unanimously, with the exception of Councilmember Smotherson.

2. Rating Study for Certificates of Participation

Mr. Rose stated staff is recommending that Council consider a Rating Study for the Certificates of Participation.

Councilmember Klein moved to approve, it was seconded by Councilmember McMahon, and the motion carried unanimously.

3. City Manager Updates

Police Annex and Court Trinity Building

The bid package for this project was released on February 27th, and staff anticipates receiving all of the bids by April 9th. If everything goes as planned, Mr. Rose stated the intent is to present Council with a bid for this construction at the May 13th meeting.

The Trinity Building includes a multipurpose room that will primarily be used for court proceedings, court personnel, and all of its operations. It will not be used for the Council's chambers, as erroneously reported by the media, and at this point, no determination has been made as to its location.

New Code Compliance Officer

The Citizen's Satisfaction Survey highlighted the need for more attention on the City's commercial areas to ensure their compliance with the Code. As a result, a new Code Compliance Officer has been hired to focus on this area and is scheduled to start today.

4. Second Quarter Financial Report

Mr. Cole provided Council with a presentation on the Second Quarter Financial Report, through December 31, 2003.

General Fund - Revenues

Adjusted Budget	\$25,655,485
YTD Actual	\$10,990,771
Actual as % of Adjusted Budget	42.8%
Increase/ (Decrease) compared to the same quarter of FY2023	\$136,945

Key Points:

- Increase in Sales & Use Tax Revenue of roughly \$84,000 or 2.9%. This increase is mainly due to an increase in Local Use, St. Louis County Pool, and Fire Sales taxes.
- Increase in Gross Receipts Tax of roughly \$88,000, or 3.6%. This increase is due to an increase in Electric and Natural Gas during November and December.
- Increase in Services Charges of roughly \$355,000, or 82.0%. This increase is mainly from collecting \$286,000 from Ambulance Services and \$85,000 from Weed & Debris bills.
- Increase in Interest Revenue of roughly \$87,600, or 424.5%. This increase is due to favorable market conditions in the 2nd Quarter.
- Increase in Municipal Court & Parking of roughly \$58,800, or 25.4%. This increase is due to the collection of Parking Fines.
- Increase in Other Revenue of roughly \$55,100, or 35.9%. This increase is due to receiving funds from an Opioid Settlement and a Surplus Distribution from SLAIT.
- Decrease in Grants of roughly \$362,000, or (99.3%). This decrease is due to the closure of Safer Grant in FY23.
- Decrease in Inspection Fees & Permits of roughly \$322,000, or (45.3%). This decrease is associated with Building & Zoning permits.

Overall revenues as a percent of budget show **an increase of 4.6%** when compared to the same quarter of FY23.

General Fund - Expenditures

Adjusted Budget	\$29,023,129
YTD Actual	\$14,146,704
Actual as % of Adjusted Budget	48.7%
Increase/ (Decrease) compared to the same quarter of FY2023	\$(607,344)

Key Points:

- Decrease in expenditures for Public Works and Parks & Recreation Capital Outlay of roughly \$2,826,545. This is mainly due to the emergency purchase of vehicles and equipment related to the flood that occurred in the 1st Quarter of FY2023.
- Increase in expenditures for the Police Department of roughly \$438,000, or 10.4%. Increase mainly due to Salaries/Wages, Maintenance Contracts, Technology Services, and Staff Training.
- Increase in expenditures for Facilities Maintenance of roughly \$154,000, or 34.8%. Increase mainly due to Building/Equipment Maintenance, and Maintenance Contracts.

- Increase in expenditures for Planning & Development of roughly 319,000, or 42.1%. Increase mainly due to Professional Services and Maintenance Contracts.
- Increase in expenditures for Parks & Recreation-Parks Maintenance of roughly \$305,000, or 38.0%. Increase mainly due to Maintenance Contracts and Disaster & Storm Expenses.
- Increase in expenditures for Parks & Recreation of roughly \$244,000, or 204.2%. Increase is mainly due to a contract with Midwest Pool Mgmt, Electricity in Aquatics, Part-time Salaries, and Electricity at Centennial Commons.
- Increase in expenditures for the City Manager’s Office of roughly \$362,000, or 130.2%. Increase mainly due to Professional and Legal Services.

Overall, the expenditures as a percent of budget **increased by 3.3%** when compared to the same quarter of FY2023.

Capital Improvement Sales Tax - Revenues

Adjusted Budget	\$2,801,200
YTD Actual	\$958,135
Actual as % of Adjusted Budget	34.2%
Increase/ (Decrease) compared to the same quarter of FY2023	\$70,161

Key Points:

- Sales Tax revenue increased roughly \$70,122 or 7.9% during the 2nd Quarter of FY2024, compared to the same quarter of FY23.

Overall revenues as a percent of budget show **an increase of 2.0%** when compared to the same quarter of FY23.

Note: Revenue is generated from pooled sales tax from other cities in the county and is based on per capita.

Capital Improvement Sales Tax - Expenditures

Adjusted Budget	\$1,790,337
YTD Actual	\$2,209,294
Actual as % of Adjusted Budget	123.4%
Increase/ (Decrease) compared to the same quarter of FY2023	\$2,133,264

Key Points:

- Increase in expenditures mainly from the Asphalt Overlay Program that occurred in the 2nd Quarter of FY2023.

Overall, the expenditures as a percent of budget **increased by 120.2%** when compared to the same quarter of FY2023.

Park & Stormwater Sales Tax - Revenues

Adjusted Budget	\$2,001,000
YTD Actual	\$574,255
Actual as % of Adjusted Budget	28.7%
Increase/ (Decrease) compared to the same quarter of FY2023	\$96,300

Key Points:

- Sales Tax revenue for the second quarter of FY2024 has shown an increase of roughly \$96,300, or 20.2% when compared to the same quarter of FY2023.
- Of the \$574,255 sales tax revenue, roughly \$246,900, or 42.9%, is generated from the TIF.

✚ **Note: Sales tax revenue is based on the point of sale.**

Park & Stormwater Sales Tax - Expenditures

Adjusted Budget	\$1,561,240
YTD Actual	\$185,575
Actual as % of Adjusted Budget	11.9%
Increase/ (Decrease) compared to the same quarter of FY2023	\$(857)

Key Points:

- Expenditures appear to be within reason when compared to the 2nd quarter of FY2023.

Overall, the expenditures as a percent of budget **increased by 3.6%** when compared to the same quarter of FY2023.

Public Safety Sales Tax - Revenues

Adjusted Budget	\$2,291,000
YTD Actual	\$770,630
Actual as % of Adjusted Budget	33.6%
Increase/ (Decrease) compared to the same quarter of FY2023	\$19,140

Key Points:

- A slight **increase of roughly 2.5%**; revenues appear to be within reason when compared to the 2nd quarter of FY2023.

✚ **Note: Revenue is generated from pooled sales tax from other cities in the county and is based on per capita.**

Public Safety Sales Tax - Expenditures

Adjusted Budget	\$575,951
YTD Actual	\$266,613
Actual as % of Adjusted Budget	46.3%
Increase/ (Decrease) compared to the same quarter of FY2023	\$111,640

Key Points:

- Increase in the expenditures is mainly from the purchase of two (2) Dodge Charger Police vehicles that occurred in the 2nd Quarter.

Overall, the expenditures as a percent of budget **increased by 15.0%** when compared to the same quarter of FY2023.

Councilmember Smotherson posed the following questions to Mr. Rose:

Q. Has any of the \$246,900 from the TIF been designated to the 3rd Ward?

A. Typically, allocations occur mid-fiscal year, but I would have to review the budget to see if there was an allocation to the RPA-2 Fund.

Q. The pool tax is another revenue stream identified to fund RPA-2. So, why were the proceeds from this tax not identified as a separate line item in the general fund revenues?

A. The pool tax is structured as a transfer into the general fund, which he believes occurred in December of 2023. So, here again, staff would have to review those revenues to determine the exact amounts transferred into the account.

Q. Can staff also provide how much of that revenue, if any, was allocated to the RPA-2 Fund?

A. As a part of the budget process Council approved a set amount that would be transferred to the RPA-2 Fund, and he believes that this distribution occurred at the end of the Fiscal Year.

Councilmember Clay posed the following questions to Mr. Cole:

Q. Can you help me reconcile how the General Fund expenditures as a percent of the budget increased by 3.3% when there seems to have been a significant increase in expenditures throughout several of the City's departments?

A. The percentage rate for the same quarter in FY23 was 44.3%, so 3.3% is the difference between what the total expenditures were then, and what they are now, which is 48.7%. All of this is detailed in the Statement of Revenues and Expenditures.

Q. So, this is a quarter-to-quarter comparison?

A. Correct.

Q. But with these expenditures being so much higher where are we to budget?

A. These numbers are for the first six months, and they compare the year to date. So, the revenues as a percent of the budget show an increase of 4.6% when compared to the same quarter of FY23.

Q. So, we're not over budget?

A. No. This is a comparison of what we had year to date in FY23, to what we have in the same quarter of FY24.

Mayor Crow stated that even though there was a significant increase in the expenditures, there was also a significant decrease of 2.8 million dollars in expenditures for Parks and Public Works. So, that may be what you're missing.

Councilmember Clay thanked the Mayor for his clarification and noted that it was the piece he was missing.

M. UNFINISHED BUSINESS - (Roll call vote required on 2nd and 3^d readings)

None

N. NEW BUSINESS

Resolutions - (Voice vote required)

None

Bills - (No vote required for the introduction and 1st reading)

None

O. COUNCIL REPORTS/BUSINESS

1. Boards and Commission appointments needed
2. Council liaison reports on Boards and Commissions
3. Boards, Commissions, and Task Force minutes
4. Other Discussions/Business

P. CITIZEN PARTICIPATION - (Continued if needed)

Q. COUNCIL COMMENTS

Councilmember Smotherson stated he would like to note for the record that the reason he had abstained from voting on Item L (1) is because his wife and son work for Stifel.

R. EXECUTIVE SESSION - (Roll call vote required)

Motion to go into a Closed Session according to Missouri Revised Statutes 610.021 (1) Legal actions, causes of action, or litigation involving a public governmental body and any confidential or privileged communications between a public governmental body or its representatives or attorneys.

Councilmember Fuller moved to close the Regular Session and go into a Closed Session, it was seconded by Councilmember McMahon.

Roll Call Vote Was:

Ayes: Councilmember Clay, Councilmember Klein, Councilmember McMahon, Councilmember Fuller, Councilmember Smotherson, and Mayor Crow.

Nays: None.

S. ADJOURNMENT

Mayor Crow thanked everyone for their participation and closed the Regular Session at 7:15 p.m. to go into a Closed Session on the second floor. The Closed Session reconvened in an open session at 7:55 p.m.

Kena Dean/ Ir
Acting City Clerk

Jerrold Tiers 7345 Chamberlain

At the last Council Meeting, Mr Sullivan complained that the City was not getting all the vacant storefronts in the Loop filled. I don't know how he thought that should be done, but in the Council comments following, this complaint was dismissed because the City cannot force landlords to rent out property.

Of course that is true. But it is really not the point. The City cannot force property to be rented, but the City can absolutely encourage landlords to rent, potentially with incentives. The City may be able to discourage not renting with other measures applying to vacant property.

The City can also check to see WHY the spaces are not rented. If it happens that the City is creating problems that inhibit rental, then that can be corrected.

I cannot enumerate all the ways to encourage rentals, time does not allow it. But, development is one. Development begets more development, and businesses follow to service the development. One thing is certain. Landlords will rent space if the area is popular and there is a demand for rental space. Demand feeds on itself, but it needs a starting point.

For instance, the new apartment building is one potential driver of Loop business activity, although due to its very unfortunate "drive in and drive out" design, it might not actually generate much local foot traffic. But it brings a lot of potential customers to Delmar. The hotel that was proposed a couple years ago would be a possibly better stimulus, if it has not been abandoned. Hotel guests are natural customers for nearby restaurants at least.

Of course, the area needs to be perceived as safe. U City has the reputation of being "where you go to get shot", although that is very unfair. "The Grove" is still reasonably popular, despite 2 or 3 recent shootings. A more visible Police presence on foot in the Loop could go a long way toward changing the perception of University City as a place "too dangerous to visit".

And, no area is unchanging. Popular places need to be "reinvented" from time to time, to stay relevant. U City was very lucky to have Joe Edwards do the "re-inventing" for us in the 1970s when Delmar was mostly boarded up. Now it is your turn to "re-invent" the U City Loop.

There are many ways other than "force" to stimulate rentals and full storefronts. Other area municipalities have done it. You could talk to them for ideas. The U City Loop is the "signature business district" of the City. Does the City of University City care enough to make "The Loop" a priority and put some serious time and work into rejuvenating it?