

STUDY SESSION
Solid Waste Rate Increase Report and Recommendation
CITY HALL, Fifth Floor
6801 Delmar Blvd., University City, Missouri 63130
Monday, February 10, 2025
6:00 p.m.

AGENDA

1. MEETING CALLED TO ORDER

At the Study Session of the City Council of University City held on Monday, February 10, 2025, Mayor Terry Crow, called the meeting to order at 6:00 p.m.

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

Councilmember Stacy Clay
Councilmember John Tieman
Councilmember Steven McMahon
Councilmember Lisa Brenner
Councilmember Dennis Fuller
Councilmember Bwayne Smotherson

Also in attendance were City Manager, Gregory Rose; City Attorney, John F. Mulligan, Jr.; Director of Finance, Keith Cole; Solid Waste Rate Study Task Force Members Phillip Eastin and Cirri Moran, and Cynthia Mormile of MSW Consultants.

2. CHANGES TO REGULAR AGENDA

None

3. SOLID WASTE RATE INCREASE REPORT AND RECOMMENDATION

Mr. Rose stated Council is being asked to receive a report on the Proposed Solid Waste Rate recommendations made by the Task Force. This information will be presented by Mr. Cole.

Mr. Cole introduced members of the Task Force Cirri Moran, Phillip Eastin, and Cynthia Mormile of MSW Consultants who are here tonight to answer any questions.

Background

In 2018, the City retained MSW Consultants to evaluate a ten-year solid waste full cost of service and develop rate recommendations. In 2019, MSW produced a Rate Study, which was postponed due to COVID. In July 2024, MSW was asked to update their numbers, findings, and recommendations, which were presented to Council during a Study Session.

As a result of that Study Session, the City Manager recommended that a Task Force be created to review the 2024 Rate Study. On August 12, 2024, Council approved Resolution 2024-10, establishing the Solid Waste Study Task Force. The Task Force was made up of the following members: Phillip Eastin, Alice Boon, Cirri Moran, Susan Plassmeyer, Chris Blumenhorst, and Ted Stegesky.

The Task Force conducted its first meeting on December 17, 2024, where they met with the consultants and reviewed their Study and recommendations that contained three rate options.

- Option 1: One-year rate increase with no consumer price index (CPI) increase
- Option 2: One-year rate increase with CPI increases
- Option 3: Three-year phased-in rate increases with no CPI increase

The Task Force met again on January 22, 2025, and voted unanimously to recommend Option 2; a one-year rate increase of 8.45% in 2025, which is now being brought to Council for consideration.

This recommendation focuses on the City's single-family household which represents over 8,000 accounts.

Current Rate:

- Single family with a 90-gallon refuse cart is \$110.10 every six months or .60 cents per day.
- Senior rate with a 60-gallon refuse cart is \$93.30 every six months or .51 cents per day.

Proposed Rate:

- Single family with a 90-gallon refuse cart is \$119.40 every six months or .05 cents per day; an increase of \$9.30.
- Senior rate with a 60-gallon refuse cart is \$101.40 every six months or .04 cents per day; an increase of \$8.10.

Councilmember Clay stated this was perhaps, not the most exciting Task Force to be a part of, so he would like to extend his thanks for their service to the community.

He stated most of us have accepted the reality that solid waste costs have and will continue, to increase, however, he thinks there probably needs to be some exploration into what he'll call, *"The Market at Olive dividends"*.

At Council's last meeting, there was a discussion about the revenue enhancements that have occurred as a result of the current new businesses and the projected enhancements for the ones yet to come. There is no doubt that our residents are deriving a tangible value by having these fantastic retail options, but notwithstanding the TIF dollars, it would be a true victory if the City could use the Markets to provide tangible financial benefits to all of its residents. Councilmember Clay stated he doesn't know if there is a world where the City can look at what it is yielding from the Markets, but think about the impact it would have if we could say, *"Hey, you know what, solid waste costs are increasing and ultimately citizens may have to kick in, but here's how we are going to try to help offset that cost"*.

Councilmember Clay stated he realizes that it would take some research to understand the financial ramifications of doing something like this, so, he's not necessarily looking for an answer right now, but to the degree that the City could provide tangible benefits above and beyond what its already seen, would be well placed.

Mr. Rose stated there are a plethora of benefits that residents throughout the entire City will realize from this one project:

- Execution of the 3rd Ward Revitalization Plan that was recently approved, which starts with the hiring of a coordinator tasked with its implementation;
- The detention basin project that was approved several years ago; requires 4 million dollars of matching funds that the City will have to provide, and
- The Olive Blvd. improvements

Part of the funding for all of these projects will come from additional taxes being generated by the Market at Olive.

Councilmember Clay stated while he thinks the average citizen will acknowledge that these are all tangible benefits; he believes there is a different level of tangibility when they have the option of spending less. Councilmember Clay stated that he would never advocate that the City put itself in a fiscally precarious position, and at this point, has no idea whether there is a dividend that could offset the cost of Solid Waste. But he thinks that putting money in someone's pocket; even if it only means reducing the rate by a few dollars, is something residents can truly relate to.

Mr. Rose stated Councilmember Clay's suggestion is something staff will take a very close look at. But to be as transparent as possible, he knows that the City has a 27-million-dollar debt that was recently approved for the Police Station and Court buildings. So, he would ask Council to keep in mind that even though supplemental revenues are coming in, there are also additional expenses being incurred.

Councilmember Fuller posed the following questions to Mr. Cole:

Q. These plans show that the City will have a deficit to the tune of \$100,000 for year one, and \$400,000 by the year 2027. Even though this is the smallest deficit between the three Options, is there any way possible for the City to get around having to pay this subsidy?

A. All of the options provided indicate that the City will have to help subsidize the Solid Waste Fund. So, the consultants advised us that the best practice would be to reevaluate the rates by comparing them to other municipalities in seven years.

Q. Some of the feedback I've received has questioned whether bills could be paid quarterly rather than every six months?

A. I would have to look at the accounting system to see if it can be set up that way.

Q. Where would the funds to pay this deficit come from?

A. (Mr. Rose): The deficit does not take into account any growth that the City might realize from commercial and residential development. So, that is why he intends to reevaluate these rates in the next three to five years to determine whether they are still on course, or if there is a need to make any adjustments.

Councilmember Smotherson posed the following questions to Mr. Cole:

Q. Does the commercial aspect of this program only include recycling?

A. No.

Q. Has staff ever considered eliminating commercial waste from its program?

A. There was a recommendation, but it has not been considered.

Q. Is there a different charge for commercial waste?

A. Yes.

A. (Mr. Rose): One clear message from the Task Force was that commercial waste not be subsidized, so that will be included in staff's report. Commercial businesses have the option not to use the City's service, and in the past, he thinks the City's costs were below market. But the rate being proposed will be consistent with the market.

Q. Is the senior rate being increased by \$8.10?

A. That is correct.

Mayor Crow asked where the City's rates stood in comparison to other municipalities? Mr. Eastin stated the comparisons can be found in Exhibit 3 of the Final Report, but currently, the City's rates are lower. Mayor Crow asked if the list included U City, Kirkwood, St. Peters, Ballwin, Clayton, and Brentwood? Mr. Eastin stated that is correct.

Mayor Crow stated although he appreciates Councilmember Clay's comments, he's going to go in a slightly different direction. Years ago, he thinks one reason the City wanted to move away from providing Solid Waste to its residents was because of their cost-to-service comparison. So, that's one reason why he probably would not be excited about using additional revenue to reduce collection fees.

Councilmember McMahan asked if the proposed fee was only for solid waste? Mr. Cole stated the fee also includes yard waste, bags, stickers, and bi-annual leaf collection. Councilmember McMahan questioned whether the City would be getting rid of stickers? Mr. Rose stated that is going to be his recommendation.

Mr. Rose stated the next step will be to prepare an Ordinance for introduction at Council's February 24th meeting.

4. **ADJOURNMENT**

Mayor Crow thanked members of the Task Force for offering their time to help the community and adjourned the Study Session at 6:23 p.m.

LaRette Reese
City Clerk, MRCC