

MEETING OF THE CITY COUNCIL  
CITY OF UNIVERSITY CITY  
CITY HALL, Fifth Floor  
6801 Delmar Blvd., University City, Missouri 63130  
**Monday, February 24, 2025**  
6:30 p.m.

**AGENDA**

**A. MEETING CALLED TO ORDER**

At the Regular Session of the City Council of University City held on Monday, February 24, 2025, 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 John Tieman  
Councilmember Steven McMahon  
Councilmember Lisa Brenner  
Councilmember Dennis Fuller  
Councilmember Bwayne Smotherson

Also in attendance were City Manager, Gregory Rose; Director of Finance, Keith Cole, and Mike Williams of Sikich.

**C. APPROVAL OF AGENDA**

Mayor Crow stated that the City Manager has requested that Bill No. 9566 be removed from the agenda.

Councilmember Fuller moved to approve the request to amend the agenda, it was seconded by Councilmember Tieman, and the motion carried unanimously.

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

**D. PROCLAMATIONS (Acknowledgement)**

None

**E. APPROVAL OF MINUTES**

1. January 27, 2025, Study Session Minutes - (2025-2027 Work Plan) and Summer Camp, were moved by Councilmember Fuller, it was seconded by Councilmember McMahon, and the motion carried unanimously.
2. February 10, 2025, Study Session Minutes – Solid Waste Rate Increase and Recommendation, was moved by Councilmember McMahon, it was seconded by Councilmember Tieman, and the motion carried unanimously.
3. February 10, 2025, Regular Minutes, was moved by Councilmember Clay, it was seconded by Councilmember Fuller, and the motion carried unanimously.

**F. APPOINTMENTS TO BOARDS AND COMMISSIONS**

None

**G. SWEARING IN TO BOARDS AND COMMISSIONS**

None

**H. CITIZEN PARTICIPATION (Total of 15 minutes allowed)**  
***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](mailto:councilcomments@ucitymo.org), or mailed to the City Hall – 6801 Delmar Blvd. – Attention City Clerk. Such comments will be provided to the 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.

Mayor Crow acknowledged that there were no written or oral comments.

**I. COUNCIL COMMENTS**

None

**J. PUBLIC HEARINGS**

None

**K. CONSENT AGENDA - (1 voice vote required)**

1. Professional Services Agreement/Contract with ZoneCo, LLC to perform a complete revision of the Zoning Ordinance.

Councilmember McMahon moved to approve Item 1 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. City Manager Updates

None

2. FY2024 Annual Comprehensive Financial Report (ACFR) and Report on Federal Awards Audit Reporting Presentation; (Reports can be found on the website:  
<https://www.ucitymo.org/455/Budget-Financial-Reports>)

Mr. Rose stated Council is being asked to receive a presentation on the Annual Comprehensive Financial Report.

Mr. Cole stated the City is required by State Statute to conduct an annual audit, which has been performed by Sikich, and presented by Mike Williams.

Mr. Williams stated he is a principal at Sikich, who recently issued these Audit Reports.

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

- Transmittal Letter
- City Profile
- Economic Conditions
- Budget Control
- List of Principal Officials
- Organizational Chart
- Certificate of Achievement for Excellence in Financial Reporting

Ms. Williams stated this Certificate demonstrates the accountability and transparency achieved by the City.

## FINANCIAL SECTION

### Independent Auditor's Report

Report on the Audit of the City's Financial Statements.

**Opinion:** In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of University City, Missouri as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. *(Similar to the prior year)*

### Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and other matters based on an audit of Financial Statements performed in Accordance with Government Auditing Standards

**Condition** - Significant adjusting journal entries were required to correct various amounts on the year-end financial statements of the City in accordance with accounting principles generally accepted in the United States of America (GAAP). This finding was repeated.

**Recommendation** - We recommend the City enhance its internal control procedures over financial reporting so that it is able to produce financial statements in accordance with GAAP without requiring significant audit adjustments. These internal control procedures should include reconciliation of significant financial statement amounts to subsidiary records and sufficient supervisory review of those reconciliations, prior to the audit, in order to determine proper adjustments to the City's financial statements.

### Management's Discussion and Analysis

Governmental Funds = General, TIF & Tax Funds, etc. Business Funds = Golf, Solid Waste Funds, etc

The condensed Statement of Net Position was as follows (dollars in thousands):

#### June 30, 2024

	Governmental Activities		Business-type Activities		Total		2024 Change	
	2024	2023	2024	2023	2024	2023	Amount	Percent
<b>ASSETS</b>								
Current and other assets	\$44,445	\$47,168	\$390	\$1,378	\$ 44,835	\$48,546	\$(3,711)	\$(7.6%)
Capital assets, net	43,217	43,149	3,313	3,579	46,530	46,728	(198)	(0.4%)
<b>Total Assets</b>	87,662	90,317	3,703	4,957	91,365	95,274	(3,909)	(4.1%)
<b>Total Liabilities</b>	103,050	110,455	1,280	1,805	104,330	112,260	(7,930)	(7.1%)
<b>TOTAL NET POSITION</b>	(18,179)	\$(20,138)	\$1,822	\$2,625	\$(16,357)	\$(17,513)	\$1,156	\$(6.6%)

 **The difference between the assets and liabilities is called the Net Position.**

The City's Statement of Activities is as follows (dollars in thousands):

<b>Total Revenue</b>	<u>2024</u>	<u>2023</u>
	47,415	48,832 (difference related to ARPA Funds)
<b>Total Expenses</b>	47,079	68,933 (difference related to the issuance of debt)

## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

### **General Fund**

At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$14.1 million, while the total fund balance was **\$21.8 million**. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 45.6% of total General Fund expenditures, while total fund balance represents 70.5% of that same amount. The fund balance of the General Fund increased by **\$88 thousand** during the current fiscal year. The increase was due to increased tax revenues which saw increased rates and higher property values.

The final budget for the City's General Fund expenditures represents an increase of \$2.5 million from the original budget. Actual expenditures for the year were **\$29.9 million**, being under budget by \$1.6 million. Revenues were originally budgeted at \$25.7 million with a final budget of \$28.9 million. Actual revenues for the year were **\$28.0 million**, which was under the final budget by \$918 thousand. The General Fund ended the year with an operating budget basis deficit of \$19.5 thousand.

### **Public Safety Sales Tax Fund**

The Public Safety Sales Tax Fund had a **decrease in fund balance during the current year of \$433 thousand to bring the year-end fund balance to negative \$603 thousand**. This decrease is mainly due to transfers out being higher than the previous years along with no transfer ins. The fund received no transfers during the year and also paid the police and fire pension contribution, in addition to expenditures towards the Police Annex/Trinity Court renovation project.

### **Olive I-170 TIF Fund**

The Olive I-170 TIF Fund had a **decrease in fund balance during the current year of \$323 thousand to bring the year-end fund balance to \$5.6 million**. This decrease is due to the Olive I 170 Redevelopment Tax Increment Financing Project and interest on the debt issued for it in the prior year while also having an increase of \$2.2 million on general taxes due to a whole year's worth of sale tax collections and new businesses moving in the TIF Development. This fund also had the Third Ward Revitalization fund removed from the Olive TIF fund and made its own fund which had a fund balance of \$3,322,601 in the prior year. This amount was the beginning fund balance on July 1, 2023.

### **Proprietary Funds**

Unrestricted net position of the **Parking Garage, Golf Course, and Solid Waste Funds at the end of the year amounted to \$32 thousand, \$1.1 million, and (\$2.7) million, respectively, with a decrease in total net positions of (\$826)**. The Internal Service Fund, which is used to account for certain City activities, had (\$417) thousand in unrestricted net positions.

### **Cash Flows From Operating Activities**

Business Activities:	<u>Total current liabilities</u>
• Parking Garage	\$198,774
• Golf Course	\$128,148
• Solid Waste	\$2,856,735
• Total Enterprise Fund	\$3,183,657
Governmental Activities:	
• Internal Service Fund	\$421,048

You need to determine what your cash flow from operating activities is because that is the amount of money you need to finance to make up the difference or the amount of money available to pay debt or buy new fixed assets.

### **Statement of Changes in Fiduciary Net Position**

#### **Pension Trust Funds**

There was a change in net position for both funds of \$6,966,895.

### **Cash and Investments**

#### **Deposits**

The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation.

### **Capital Assets**

This determines whether your capital assets are depreciating faster than you are replacing them.

<b>Total Governmental Activities</b>	<u>June 30, 2023</u>	<u>June 30, 2024</u>
<b>Capital Assets, Net</b>	\$43,947,687	\$43,217,173

✚ *An adjustment was made to the June 30, 2023 balance to add \$798,940 of construction in progress that was not recorded in the prior year.*

### **LONG-TERM DEBT**

- Tax increment and special district revenue bonds - 2023
- Tax increment and special district revenue bonds - 2023
- private placement
- Discount on bonds
- Leases
- Compensated absences
- Net pension liability
- Total other post-employment benefit liability

✚ *Long-term liabilities were paid down during the year.*

### **EMPLOYEE RETIREMENT BENEFIT PLANS**

#### **Non-Uniform Employees' Retirement Fund**

#### **Changes in Net Pension Liability (Asset)**

The table below includes amounts for both the City and the Library. The City's collective share of the net pension liability (asset) on July 1, 2023, the employer contributions, and **the net pension liability (asset) on June 30, 2024, was \$2,032,043, \$615,310 and \$(130,315)**, respectively. The Library's collective share of the net pension liability (asset) on July 1, 2023, the employer contributions, and **the net pension liability (asset) on June 30, 2024, was \$336,042, \$125,000, and \$(26,474)**, respectively.

Plan Fiduciary Net Position = amount of investments available to pay the liability

Net Pension Liability = the long-term future liabilities

(a)	b)	(a) - (b)
Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)

**Balances at July 1, 2023**                      \$ 31,869,761   \$ 29,501,676   \$ 2,368,085

**Balances at June 30, 2024**                      \$ 33,325,225   \$ 33,482,014   \$ (156,789)

**City of University City Police and Firemen's Retirement Fund**

	(a)	b)	(a) - (b)
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
<b>Balances at July 1, 2023</b>	\$ 40,791,848	\$ 28,664,212	\$ 12,127,636
<b>Balances at June 30, 2024</b>	\$ 41,377,602	\$ 31,650,768	\$ 9,726,834

**POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

The City's OPEB plan (the Plan) provides OPEB for all eligible full-time employees of the City. The Plan is a single-employer defined benefit OPEB plan administered by the City. The Plan, as established by the City Ordinance, assigned the authority to establish and amend the benefit terms and financing requirements to the City.

**Benefits Provided**

The Plan provides healthcare benefits to all current and future retirees with medical coverage to age 65. Civilians are eligible to retire once they have attained age 55 plus 20 years of service. Police are eligible to retire once they have attained age 50 plus 20 years of service. Spousal coverage is included until the spouse reaches age 65. Employees and spouses must be on the Plan at the time of retirement to be eligible to participate in the Plan after retirement. Medical and prescription drug benefits are available to retirees in the City's insurance plan. Retirees must contribute \$723.32/\$2,097.64 per month for single/family coverage. Retirees who retire after age 62 with 30 years of service contribute \$108.50 per month for self-coverage and \$723.32 per month for spouse coverage. Coverage stops at age 65. No life insurance coverage is provided.

The Plan has not had a formal actuarial experience study performed.

Changes in the Total OPEB Liability:

	<b>Total OPEB Liability</b>
<b>Balances at July 1, 2023</b>	\$ 802,911
<b>Balances at June 30, 2024</b>	\$ 923,359

**INTERFUND TRANSFERS, ASSETS, AND LIABILITIES**

Interfund transfers were used to: (1) move revenues from the fund that the ordinance or budget requires to collect them to the fund that the ordinance or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to finance other funds in accordance with budgetary authorization, or (3) move revenues in excess of current year expenditures to other funds.

**RISK MANAGEMENT:** The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**CONTINGENCIES AND COMMITMENTS:** The City is subject to lawsuits pertaining to matters, which are incidental to performing routine governmental and other functions. Based on the current status of these legal proceedings, it is the opinion of management that they will not have a material effect on the City's financial position.

**NEGATIVE NET POSITION:** On June 30, 2024, Public Safety’s accumulated deficit of \$603,041, and Solid Waste’s deficit of \$1,809,403 are the result of expenses exceeding revenues, plus prior year net position. It is expected that the deficit will be offset by future revenues received in the fund.

**TAX ABATEMENTS:** The City provides for tax abatements established pursuant to the Land Clearance for Redevelopment Authority Law (LCRA), RSMo Chapter 99 to assist with the redevelopment of blighted or unsanitary areas in the City.

**ECONOMIC DEVELOPMENT LOANS:** In April 2020, the City established a Small Business Forgivable Loan Program funded by the Economic Development Fund for the purpose of assisting small businesses impacted by the COVID-19 pandemic.

**LESSORS DISCLOSURES:** The City entered into a lease agreement dated October 2021, to lease certain retail space. Payments ranging from \$4,441 to \$5,147 are due to the City in monthly installments through September 2029; including three years of renewal options that maintain an interest rate of 2.16%.

**CONDUIT DEBT:** In the fiscal year 2024, the City authorized \$121,000,000 of industrial revenue bonds, to provide funds for the purpose of carrying out industrial development projects by the City providing a loan pursuant to a loan agreement between the City and a private company.

**SUBSEQUENT EVENT:** In November 2024, the City approved issuing industrial revenue bonds in a principal amount not to exceed \$32,000,000.

**ADJUSTMENT FOR CHANGE IN REPORTING ENTITY AND ERROR CORRECTION:** The Third Ward Revitalize Fund was included in the reporting entity for the year ended June 30, 2024, which was previously included in the Olive I-170 TIF Fund.

### **REQUIRED SUPPLEMENTAL INFORMATION**

#### **Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Budget Basis**

	<u>General Fund</u>			Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Budget</u>
<b>Total revenues</b>	25,655,485	28,893,685	27,975,505	(918,180)
<b>Total expenditures</b>	29,023,129	31,486,712	29,916,824	(1,569,888)

### **STATISTICAL SECTION**

This part of the City’s Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the City’s overall financial health. It contains:

- Financial Trends
- Revenue Capacity
- Debt Capacity
- Demographic and Economic Information
- Operating Information



## SINGLE AUDIT REPORT

### Contents:

- Independent Auditor's Report on Compliance and Internal Controls for Each Major Program and Federal Awards
  - **Opinion Major Programs:** In our opinion, the City complied in all material respects, with the type of compliance requirements that could have a direct and material effect on each of its major programs.
- Schedule of Expenditures of Federal Awards
  - Total Expenditures \$1,657,115
  - The largest expenditure comes from the U.S. Department of Homeland Security; FEMA for \$934,125
- Notes to the Schedule of Expenditures of Federal Awards
- Schedule of Findings and Questioned Costs - Significant Deficiency
- The City's Corrective Action Plan

### AUDITOR'S COMMUNICATION TO THE MAYOR AND COUNCIL

The Management Letter contains eight comments:

1. Recommends that the City review certain liability accounts
2. Recommends that the City review the operating costs of the functional expenses of the internal service Fund to allocate those costs
3. Recommends that the City use the inventory software
4. Recommends that the City review the outstanding receivables for adjustments
5. Recommends that the City review the daily receipts for the Golf Course
6. Recommends that the City review credit card policies and procedures
7. Recommends that the City review approving overage amounts related to personnel hours carried over
8. Recommends that the City review the Pension Census; slight difference in the number of members reported

Mayor Crow thanked Mr. Williams for his company's very detailed report.

Councilmember Clay noted a Scribner's error on page 38 of the Annual Report, wherein "Polie" should be amended to read "Police". He then posed the following questions to Mr. Williams:

**Q. Would the term fully funded be the right term to use for the Non-Uniform Pension?**

**A.** *While there are deferred in-flows and out-flows, and a lot of other disclosures, I think you are leading up to the right term because in this case, the Non-Uniform Plan shows an asset as of June 30, 2024, versus the other plan which shows a deficit.*

**Q. "Significant Deficiency" is something we've seen mentioned before, so could you refresh my memory about the reason(s) why it was not fully addressed?**

**A.** *It is not unusual for auditors to find a Significant Deficiency. Last year's deficiency involved adjustments related to subscription-based information technology related to a new GATSBY accounting pronouncement that the City was required to implement. This year there were issues with the fixed assets.*

**A. (Mr. Cole):** *The City has so many funds and accounts that it's difficult to get them reconciled in a timely manner. My goal is to have the least amount of journal entries as possible, but sometimes it's an uphill battle to accomplish that. Nevertheless, in previous years that has been a ding for us. This year we had some challenges with our fixed asset system which duplicated all of the disposals. It was rectified, but staff had to make multiple journal entries to correct it.*

Mr. Rose asked Mr. Cole if he could provide Council with the difference between a Significant Deficiency and a Material Deficiency?



Mr. Williams stated a Significant Deficiency is kind of a medium or lower-level finding, and a Material Deficiency or Weakness is significant; it falls right under a Fraud Report which is the highest level.

Councilmember Clay stated that even though this report was well presented and there is no doubt that Sikich has great partners with Mr. Cole and his team, it would be helpful if Council could receive this a little sooner because there is a lot of information.

Councilmember Tieman asked Mr. Williams if he could help him respond to his neighbor's inevitable inquiry about the City's financial health in 25 words or less? Mr. Williams stated auditors are not supposed to give opinions on the overall financial health of a city. But an unqualified opinion might be, *"There's an improvement in the financial position overall from the government-wide statements"* so there are some good things and some things to improve on. The City is under budget for revenues and under budget for expenditures. Mr. Williams stated he recognizes that this report is over 100 pages long, so if Council has any questions they should feel free to contact his office.

Mr. Rose stated generally, most people consider the health of a municipal organization based on the reserves it has in its General Fund. Council established a policy wherein the City's reserves at minimum, should be 18% of what its expenditures are. However, based on this audit, we are at 47% rather than the 38% originally budgeted for. Now, that's likely too high, but consideration must also be given to the construction projects that are currently underway.

Mayor Crow stated while he recognizes that the deficiency noted in the report has a lower level of significance; it has occurred two years in a row. But this is as much Council's problem as it is the City Manager and Director of Finance, so at this point, our position should be; what do you need from us to ensure that this does not happen next year? Mayor Crow stated even though it's not a question that should be answered today, it would probably behoove Council to get an update on this deficiency, as well as the other minor items that were listed sometime in the near future.

**M. UNFINISHED BUSINESS - (Roll call vote required on 2<sup>nd</sup> and 3<sup>rd</sup> readings)**

None

**N. NEW BUSINESS**

***Resolutions - (Voice vote required)***

1. Resolution 2025-02 Amending The Fiscal Year 2024-2025 (Fy25) Budget – Amendment # 1 and Appropriating Said Amounts.

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

***Bills - (No vote required on introduction and 1<sup>st</sup> reading)***

*Introduced by Councilmember Smotherson*

1. **BILL 9564** - AN ORDINANCE AMENDING SECTION 230.090 OF THE MUNICIPAL CODE OF THE CITY OF UNIVERSITY CITY, MISSOURI, RELATING TO YARD WASTE, RECYCLABLES AND PROHIBITED SOLID WASTE, BY DELETING THE REQUIREMENT THAT YARD WASTE BAGS EXHIBIT A YARD WASTE STICKER. Bill Number 9564 was read for the first time.

*Introduced by Councilmember McMahon*

2. **BILL 9565** - AN ORDINANCE AMENDING SECTION 230.110 OF THE MUNICIPAL CODE OF THE CITY OF UNIVERSITY CITY, MISSOURI, RELATING TO SOLID WASTE COLLECTION FEES AND BILLING, BY INCREASING REFUSE COLLECTION RATES ON ALL UNITS. Bill Number 9565 was read for the first time.

3. **BILL 9566** - AN ORDINANCE AMENDING ZONING CODE SECTIONS 400.160, 400.1020, AND 400.1050 OF THE UNIVERSITY CITY MUNICIPAL CODE, BY AMENDING CERTAIN PROVISIONS THEREIN RELATING TO THE MINIMUM LOT SIZE FOR DETACHED SINGLE-FAMILY DWELLINGS AND TWO-FAMILY DWELLINGS, THE MINIMUM FRONT YARD BUILDING SETBACK FOR DETACHED SINGLE-FAMILY DWELLINGS, AND THE DETERMINATION OF THE PREVAILING PATTERN OF DEVELOPMENT IN THE SUBDIVISION IN WHICH THE DWELLING IS LOCATED. *(Removed from the agenda)*

**O. COUNCIL REPORTS/BUSINESS**

1. Boards and Commission appointments needed
2. Council liaison reports on Boards and Commissions

Councilmember Smotherson reported that the Traffic Commission was unable to resolve the issue involving the south side of the 7000 and 7100 blocks of Forsyth. Therefore, he will be passing along several unofficial summaries to Mr. Rose, to assist them with how to approach this issue. Councilmember Smotherson stated when the Chair learned that the letters complaining about this issue were coming from a Wash U employee who only parks in this area, the tone in which she addressed his actions will probably curtail any future complaints.

Councilmember Fuller reported that St. Louis County Transportation will be conducting a public hearing at Centennial Commons on February 26th, at 5 p.m. to address the streets and sidewalks from Midland to West Gate.

3. Boards, Commissions, and Task Force minutes
4. Other Discussions/Business

**P. CITIZEN PARTICIPATION (continued if needed)**

**Q. COUNCIL COMMENTS**

Mayor Crow announced that he and Mr. Rose, along with the Historical Society will conduct the Annual State of the City address on Thursday, March 6th at 7 p.m. in these chambers.

Councilmember McMahon moved to adjourn the Regular Session, it was seconded by Councilmember Tieman and the motion carried unanimously.

**R. ADJOURNMENT**

Mayor Crow thanked everyone for their participation and adjourned the meeting at 7:12 p.m.

LaRette Reese, MRCC  
City Clerk