

STUDY SESSION
FY2025-2026 Proposed Annual Operating Budget and CIP
CITY HALL, Fifth Floor
6801 Delmar Blvd., University City, Missouri 63130
Monday, June 16, 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, June 16, 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.; Deputy CM, Brooke Sharp, Interim Deputy CM and HR Director, Amy Williams; Director of Finance, Keith Cole; Director of Public Works, Mirela Celaj; Director of Planning and Zoning, John Wagner; Director of Parks/Recreation/Public Areas, Darin Girdler; Chief of Police, Larry Hampton, and Fire Chief, Bill Hinson.

2. FY2025-2026 PROPOSED ANNUAL OPERATING BUDGET AND CIP

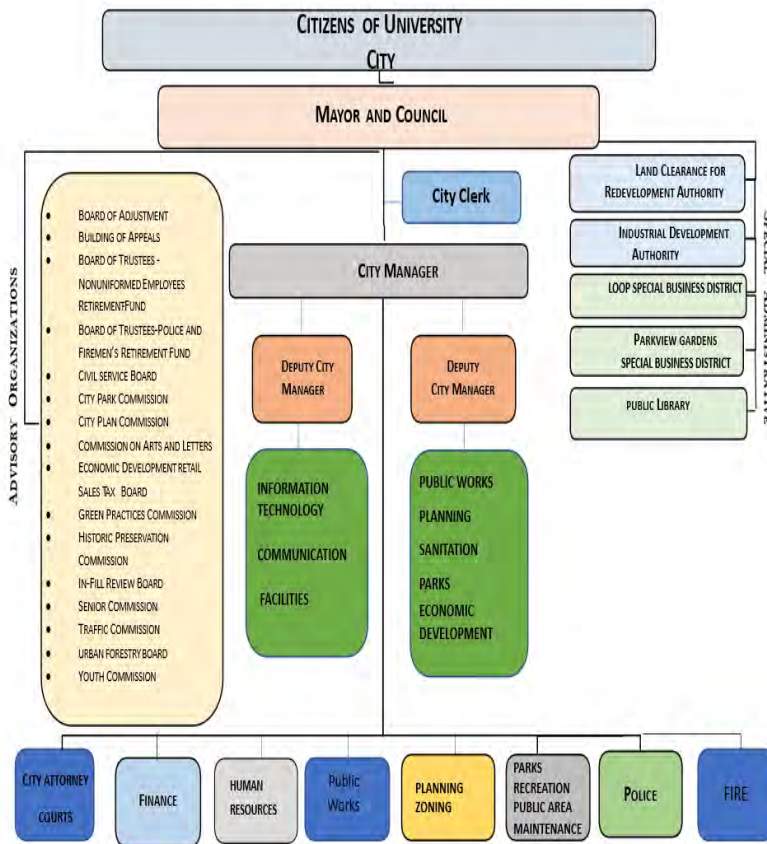
Mr. Rose stated that a copy of the transfers provided to Council can be made available in a larger font if anyone is having trouble reading it.

This budget was drafted with the priorities established by Council, ranging from economic development to employees.

Priorities

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

ORGANIZATION STRUCTURE



Both the CALOP and Human Relations Commissions have been removed from this chart.

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	0.3790	5.4%
Community College	0.2628	3.7%
Special School District	0.9648	13.7%
Metro Zoo Museum District	0.2347	3.3%
University City School District	4.0771	57.9%
City of University City	0.5400	7.7%
University City Library	0.3320	4.7%
Miscellaneous	0.2267	3.2%
Total	\$ 7.0471	100.0%

Mr. Rose stated that for at least the last six years, there have been continuous reductions in U City's property tax rates. Mr. Cole, who has been working with the County on this issue, has been asked to give you some insights into how the tax rate is determined.

Mr. Cole stated the Hancock Amendment limits the amount of revenue municipal governments can collect and how much they can increase their levies on property taxes. Property tax rates are calculated by using the assessed valuation, so, if there is an increase in the assessed valuation, taxes are reduced, and the City has to levy its property taxes on that lower tax rate. If there is a decrease in the assessed valuation, taxes are increased, and the City has to levy its property taxes on that higher tax rate. The Consumer Price Index (CPI) can also have an indirect influence on property taxes by impacting the assessed value of properties. Mr. Cole stated the following assertion from the State Auditor's office provides a further explanation:

"Overall, if there is an increase in the existing assessed valuation over the current year's Consumer Price Index, then the tax rate will be lowered, and you will be levying a lower rate on the higher assessed valuation. If the existing assessed valuation were to decrease, then the tax rate would be increased, and you would levy a higher rate on a lower assessed valuation. These adjustments then ensure that the District/City remains revenue neutral by only allowing for an increase in the revenue up to the CPI."

He stated the City's FY2026 property tax rate is based on a CPI rate of 2.9%. In 2024, the CPI rate was 3.4%. So, in this Proposed Budget, the City will be levying a lower tax rate because it can only generate revenue up to the CPI rate of 2.9%.

Councilmember Fuller posed the following questions to Mr. Cole:

Q. How is the senior tax freeze going to affect U City?

A. To determine the impact, I would have to work with St. Louis County to ascertain the number of seniors who applied and the correct calculations to use.

Q. A lot of seniors think that the freeze will affect the valuation of their homes. But isn't it correct that it only impacts the rate of their property taxes?

A. Yes, that is correct.

Q. Does it affect their valuation on an annual basis?

A. Yes. The annual assessed valuation could increase or decrease, but the freeze only applies to their actual tax rate.

Q. What percentage of the County's tax rate trickles down to U City?

A. That percentage is 7.7%, as depicted in the examples provided on the PowerPoint.

Councilmember Brenner posed the following questions to Mr. Cole:

Q. I was confused about was the last line on page 17, which states, "There will be a slight decrease in the revenue within 2026". I thought one aspect of Hancock was to keep the City revenue neutral, which is why I didn't understand the slight decrease?

A. It's also based on the CPI rate. So, this Proposed Budget is based on a CPI rate of 2.9%, which is the maximum amount of revenue the City can generate. In 2024, the CPI rate was 3.4%, so the maximum generated last year was higher.

Q. So, it dictates the maximum amount of increase we can generate?

A. That's correct. The maximum amount that can ever be generated based on the State's cap for CPI is 5%.

Mr. Rose stated that staff have gone back and forth with the County on this issue for at least the last five years, and this is the information they have provided.

The property tax rate makes up a very small percentage for U City when compared to some of its other revenue streams, and this diagram provides an example of what that distribution looks like in hard dollars.

Resident Property Tax Bill

Example: House Market Value - \$220,000

Assessed Value \$41,800 (19% of Market Value)

$$\text{Tax Bill} = 41,800 \times 7.0471 / 100 = \$2,946$$

<u>Description</u>	<u>Amount</u>	<u>% of Tax Bill</u>
State of Missouri	\$ 12	0.4%
St. Louis County	159	5.4%
Community College	109	3.7%
Special School District	404	13.7%
Metro Zoo Museum District	97	3.3%
University City School District	1,706	57.9%
City of University City	227	7.7%
University City Library	138	4.7%
Miscellaneous	94	3.2%
Total	\$ 2,946	100.0%

Major Highlights FY 2026

- Assumes a Reduced General Fund Property Tax Rate, compared to FY2024
- Provides a 1.5% COLA increase
 - The City is not proposing a COLA allowance consistent with the CPI Index because most employees receive a 5% merit increase each year, and every employee receives generous healthcare benefits
- Reflects Additional Revenues to be Received from the Market at Olive Development
- Proposes Funding Resident Satisfaction Survey
- Proposes Funding For Compensation Study
 - This study has not been conducted in five years
- Reflects an Increase in Solid Waste Rate Fees
- Eliminates Revenue from Yard Waste Sticker Fee

All Funds Summary – Governmental Funds

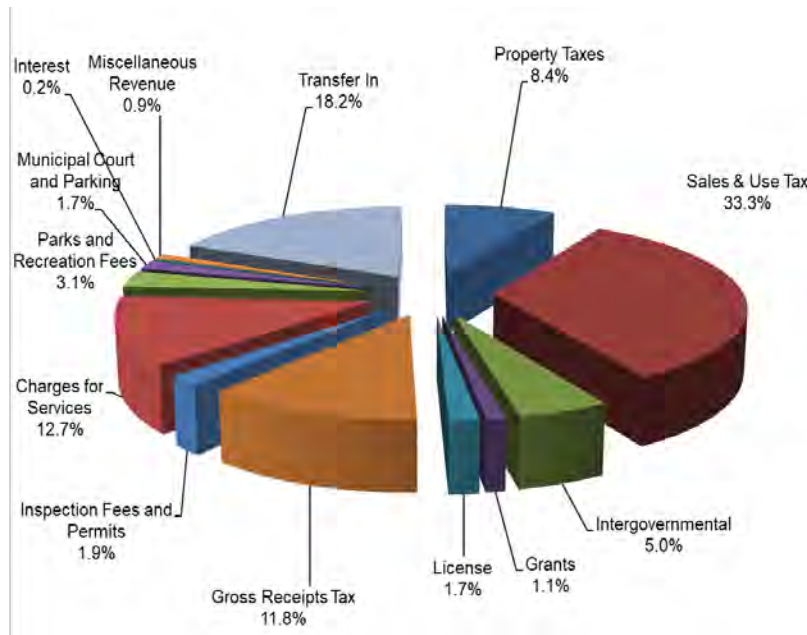
Total Revenues:	\$43,874,775
Total Expenditures:	\$46,064,568
Ending Fund Balance:	\$17,156,155

FY 2026 Budget Revenue Sources – All Funds

	Amount	Percentage
Property Taxes	\$ 4,499,000	8.4%
Sales & Use Tax	17,925,000	33.3%
Intergovernmental	2,705,000	5.0%
Grants	578,000	1.1%
License	898,800	1.7%
Gross Receipts Tax	6,370,000	11.8%
Inspection Fees and Permits	1,018,450	1.9%
Charges for Services	6,822,500	12.7%
Parks and Recreation Fees	1,645,000	3.1%
Municipal Court and Parking	911,700	1.7%
Interest	122,250	0.2%
Miscellaneous Revenue	499,200	0.9%
Transfer In	9,835,283	18.2%
Total Revenue	\$ 53,830,183	100.0%

This chart outlines the revenue sources based on a percentage. The property tax rate for all funds is 8.4%, which is why Council continues to focus on diversifying the local economy, Charges for Services, and the Gross Receipts Tax, which have continuously enhanced the revenue stream being received.

FY 2026 Budget Revenue Sources – Percentages

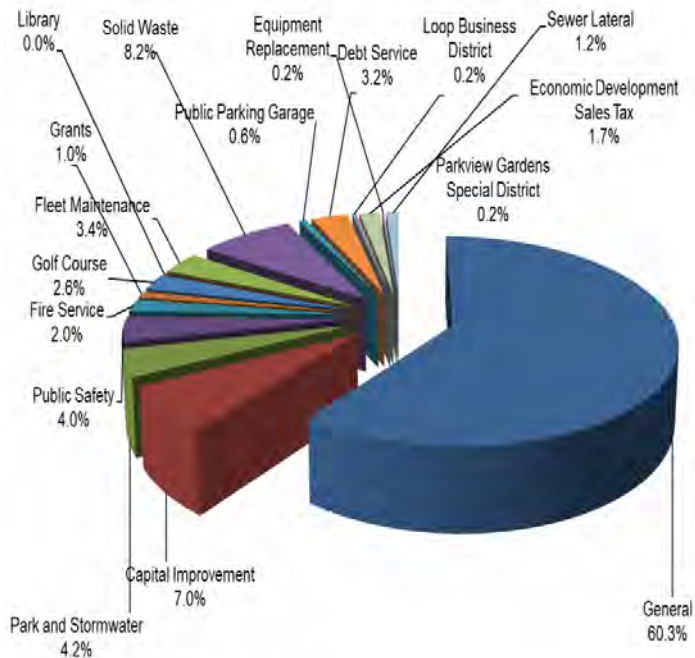


FY 2026 Budget Expenditures - All Funds

	Amount	Percentage
General	\$ 33,950,059	60.3%
Capital Improvement	3,971,919	7.0%
Park and Stormwater	2,362,690	4.2%
Public Safety	2,264,184	4.0%
Fire Service	1,150,000	2.0%
Grants	578,000	1.0%
Golf Course	1,457,994	2.6%
Library	-	0.0%
Fleet Maintenance	1,938,239	3.4%
Solid Waste	4,633,161	8.2%
Public Parking Garage	343,142	0.6%
Debt Service	1,808,750	3.2%
Loop Business District	90,601	0.2%
Parkview Gardens Special District	97,800	0.2%
Economic Development Sales Tax	979,700	1.7%
Equipment Replacement	100,000	0.2%
Sewer Lateral	619,615	1.2%
Total Expenditures	\$ 56,345,854	100.0%

Public Safety comprises approximately 54% of the City's expenditures that come out of the General Fund.

FY 2026 Budget Expenditures - Percentages



FY 2026 General Fund Highlights

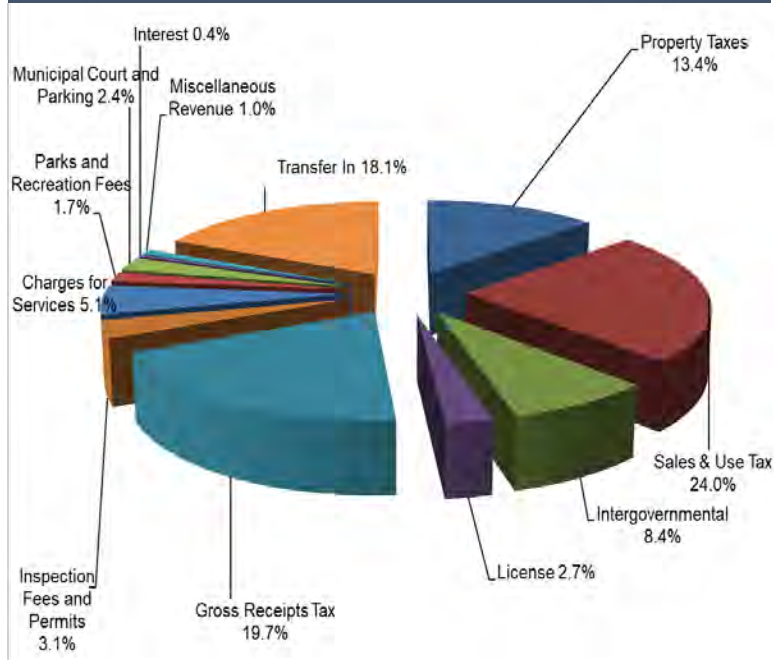
- Transfer To Debt Service for Annex/Court
 - 2026 will be the first year that the Debt Service will be funded for the full amount
 - The debt for the Annex & Trinity is divided between three funds: the General Fund, the Public Safety Fund, and the Capital Improvement Fund
- Funds Class and Comp Study
- Funds Part-time Assistant City Clerk Position
 - A pilot program to make accessing all of the City's files easier will be recommended to Council, and to do that, the City Clerk will need a part-time assistant who is primarily dedicated to this project
- Funds Resident Satisfaction Survey
 - Conducted on a biennial basis
 - Much of the information generated from this survey drives the City Manager's recommendations to Council; i.e., for the past two years, there has been a greater focus on sidewalk improvements
- Establishes a 32 percent Reserve Fund Balance
 - This percentage is higher than the required financial strategy imposed by Council because in the past five years, the City has had three natural disasters: COVID, the historic flood, and a tornado

FY 2026 General Fund Revenue Sources

	Amount	Percentage
Property Taxes	\$ 4,350,000	13.4%
Sales & Use Tax	7,775,000	24.0%
Intergovernmental	2,705,000	8.4%
License	872,800	2.7%
Gross Receipts Tax	6,370,000	19.7%
Inspection Fees and Permits	1,018,450	3.1%
Charges for Services	1,658,000	5.1%
Parks and Recreation Fees	545,000	1.7%
Municipal Court and Parking	784,700	2.4%
Interest	121,000	0.4%
Miscellaneous Revenue	314,000	1.0%
Transfer In	5,832,355	18.1%
Total Revenue	\$ 32,346,305	100.0%

The Hancock Amendment significantly limits the City's ability to increase property tax rates. As a result, Council elected to work at achieving a greater reliance on the Sales & Use Tax and diversifying the local economy.

FY 2026 General Fund Revenue Sources - Percentages



FY 2026 General Fund - Transfers In

This information provides an overview of the funds that transfer into the General Fund. Only a third of the City's fleet is utilized by Solid Waste, which is not in the financial position to recommend a total transfer of funds into Fleet Operations. Instead, the amount being transferred covers the cost of the loan, and the General Fund is absorbing the rest. On the other hand, Fleet Operations' funds have been totally transferred, and the cost for that is paid for by the General Fund.

Capital Improvement	\$1,800,000
Park & Stormwater	1,398,000
Public Safety	1,063,695
Sewer Lateral	114,000
Parking Garage	153,220
Golf Course	100,220
Fire Protection	1,150,000
Solid Waste	53,220
Total Transfers-In	\$5,832,355

FY 2026 General Fund - Transfers Out

This information provides an overview of the funds that receive funding from the General Fund.

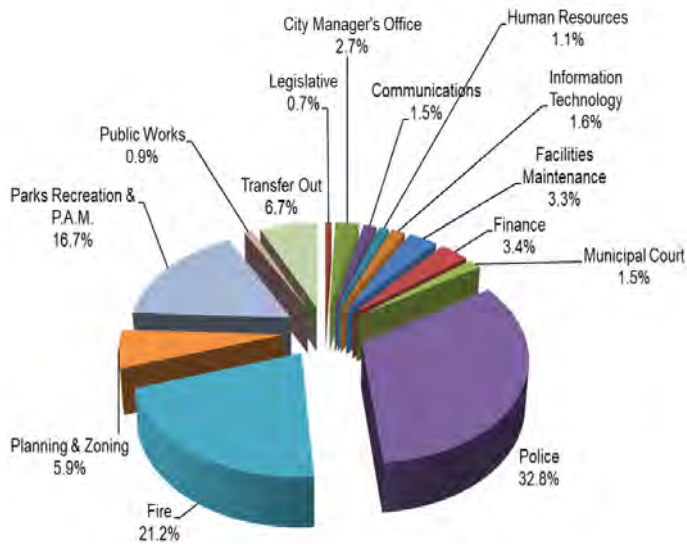
• Third Ward Revitalization Fund	\$108,000
• Debt Service Fund	\$602,919
• Fleet Internal Service Fund	\$1,550,000
Total Transfers-Out	\$2,260,919

FY 2026 General Fund – Expenditures

Expenditure by Department	Amount	Percentage
Legislative	\$ 241,660	0.7%
City Manager's Office	919,120	2.7%
Communications	518,864	1.5%
Human Resources	379,759	1.1%
Information Technology	541,630	1.6%
Facilities Maintenance	1,126,695	3.3%
Finance	1,150,110	3.4%
Municipal Court	499,262	1.5%
Police	11,143,761	32.8%
Fire	7,203,134	21.2%
Planning & Zoning	1,996,185	5.9%
Parks Recreation & P.A.M.	5,662,265	16.7%
Public Works	306,695	0.9%
Transfer Out	2,260,919	6.7%
Total Expenditure	\$ 33,950,059	100.0%

Parks & Recreation encompasses 16.7% of these expenditures.

FY 2026 General Fund Expenditures-Percentages



General Fund Summary

Total Revenues:	\$32,346,305
Total Expenditures:	\$33,950,059
Ending Fund Balance:	\$11,024,453 or 32%

Mayor Crow posed the following questions to Mr. Rose:

Q. Even though I think the 32% fund balance is good, I just wanted to make sure it's clear that you are not asking Council to change its requirement of 17%?

A. That is correct, I am not.

Q. That just happens to be where we are, and that's where you would like to keep it?

A. That's correct

Q. If you're just looking at the General Fund; which is the fund that everybody pays attention to, and it depicts that we are spending more money than we are taking in, would it be correct to say that the City anticipated this outcome based on the issuance of CIPs for the Police Station?

A. There are several reasons for this deficit that are closely tied together. One is the debt being covered for the Police Station, which was anticipated. Another is related to the General Fund absorbing costs for Solid Waste, and the third factor is related to the retention basin and the need to retain and build up funds in the Parks & Stormwater Fund to meet the City's match of approximately 5 million dollars. In spite of the recent rate increase, Solid Waste is still struggling. So, the reason why there have been no recommendations to make some funds transfer out the full amount of their loans is because the General Fund is in a strong financial position.

Mayor Crow stated that prior to Council's approval of the budget, he thinks it would be important for the City to communicate the rationale behind this deficit to the public so that they are aware of what is going on.

Councilmember Smotherson posed the following questions to Mr. Rose:

Q. The Council only has two employees: the City Clerk and the City Manager. So, why are funds for a Part-Time Assistant City Clerk Position a part of Council's packet?

A. That's correct, Council hires the City Clerk, and the City Clerk will be responsible for hiring the part-time assistant. So, it's listed because this is the mechanism for budgeting those funds.

Q. So, the City Clerk is requesting a part-time assistant?

A. Well, yes, but I also think there is a need to do so. When the City Clerk and I discussed this new software we concluded that it would eliminate the time she currently spends trying to assist residents because it would provide a better format for housing this information; establish a simple process for residents to access City information, and if approved by Council, would require a part-time assistant to administer the pilot program. So, we needed to include it in the budgeting process. However, if, after reviewing the information about what the software can do for the City, Council disagrees with our assessment, then no funds will be allocated, and the project will be scrapped.

Q. Would the Part-Time Assistant City Clerk be hired by Council?

A. No, it would be unusual for Council to hire the City Clerk's staff. So, this position would be filled by the City Clerk.

Q. Can I find a dollar amount for the "Transfer to Debt Service for Annex/Court" in the budget book?

A. Yes.

Q. Would that be the same case for "Reflects additional revenues to be received from the Market at Olive Development"?

A. Yes, but it is part of an aggregate dollar amount. There is no breakdown of any of our revenue streams by individual source. Although what I can tell you is that the major change to our revenue stream can be attributed to the Market at Olive Development, and to a lesser degree, Crescent Plumbing.

Q. Is the General Fund allocation of \$108,000 to the 3rd Ward Revitalization Fund TIF money?

A. There are a couple of funding sources for the 3rd Ward Revitalization Fund. One is the TIF, and the other is a contribution from the General Fund. If you recall, the Mayor and Council decided that the funds we would ordinarily receive from consolidated revenues should go into the 3rd Ward. That allocation was in this Fiscal Year's budget, and the \$108,000 is a reflection of what is being recommended for next Fiscal Year's budget.

Councilmember Clay posed the following questions to Mr. Rose:

Q. You spoke about a Merit Increase of 5% for employees. Is that an up-to amount, or is that the actual amount an employee could receive?

A. The Ordinance for Public Safety and non-uniform employees established a step system, and each step equates to roughly a 5% difference. There is a different structure for the Executive Team, which ranges from 0 to 5%.

Q. So, clearly not everyone will get a merit increase since it's based on performance?

A. That's correct.

Q. Does education and professional development feed into the merit or step increases, or is it strictly based on performance?

A. For the majority of employees, it's based on performance, but that can be factored in a little differently for Public Safety.

Councilmember Clay stated that while he intends to offer this suggestion during one of Council's Work Plan discussions, when you think about revenue streams, one unrealized potential is monetizing the Transfer Station. So, as we look for additional revenue, he thinks this would be a fertile area to explore.

Mr. Rose stated that is correct, and as staff is looking at trying to maximize the benefit the Transfer Station can have for the City and its residents, it may mean contracting with other companies to perform their transfer. This is still in the infancy stage, but he would agree that it is a resource that has been significantly underutilized.

Mayor Crow stated unless his memory is faulty, this is the first time Council has heard about the pilot program that's been referenced here today. So, unless this is merely a placeholder, they should be given the opportunity to learn more about this project prior to voting on the budget. Despite that, while he's comfortable with the City Clerk performing the interview and hiring process, his thought is that this should be more of a temporary rather than part-time position.

Mr. Rose informed Mayor Crow that he would make sure the information is provided to Council.

Department Highlights

City Manager's Office

- Funds ROARS and City Calendar
- Funds Government Affairs
- Funds Communication Consultant
- Funds Automated Parking Service
 - The Loop has a very antiquated system that oftentimes does not work
 - The automated service being recommended will have an impact on the number of tickets processed through the Court System
 - Police officers will be encouraged to utilize this system to ensure that individuals are paying
- Funds Resident Satisfaction Survey
- Transfers Funding for Annex/Trinity Debt

Finance Department

- Provides Funding for Annual Audit
- Maintains Current Service and Staffing Levels

Municipal Court

- Maintains Current Service and Staffing Levels

✚ *Since it is anticipated that the Municipal Court and Police Department will be moving from their current locations to the new facilities around April of 2026, this budget represents approximately nine months at their current locations.*

Mayor Crow asked if the head count for the Municipal Court Division was still three? Mr. Rose stated that is correct. There is a Clerk of the Court and two assistants.

Police Department

- Funds Duty Weapon Replacement
- Funds Replacement Vehicles & Equipment Replacement
- Maintains Current Staffing Levels

Mr. Rose stated there is a proposal to replace all of the duty weapons in 2026, which he'll ask Chief Hampton to expound on.

Chief Hampton stated that the replacement of duty weapons is necessitated by the fact that Beretta is no longer manufactured in the U.S. As a result, it has been difficult for numerous departments utilizing this brand to access customer service and purchase new equipment. To date, St. Louis County has navigated to a new weapon, and St. Louis City is in the process of doing the same. He stated that the weapon selected will be a 9mm that U City will maintain ownership of.

Councilmember Tieman posed the following questions to Chief Hampton:

Q. Will the department continue to use the 9mm ammunition manufactured by Olin Winchester?

A. Yes, although that will also depend on its availability.

Q. Is 9mm the standard used by both the City and County?

A. The City currently utilizes a 9mm, and the County is transitioning to a 9mm from a 40 caliber.

Mr. Rose noted that he was recommending the replacement of guns and ammunition.

Mayor Crow asked Mr. Rose if he could provide Council with an update on the staffing levels? Mr. Rose stated that Chief Hampton has been asked to prepare a report covering this topic that will be presented during a planning session in September.

Fire Department

- Maintains Current Staffing Levels
- Funds Firehouse 2 Cabinets
- Funds Communication Radios

✚ *An agreement reached with Subtext Development resulted in the City purchasing a ladder truck for roughly 1.8 million dollars.*

Public Works

- Funds Street Maintenance Program
- Funds Curb and Sidewalk Maintenance Program
- Funds Electric Vehicle Charging Station – if a Federal grant is received

Councilmember Brenner posed the following questions to staff:

Q. Has this grant already been approved, and the funds allocated?

A. (Ms. Sharp): Yes, it has gone through the approval process, and the City was notified that it had been awarded the funds shortly before the new administration took office. Thereafter, we received a notice from the Federal Highway Association informing us that even though the award might be rescinded, we should proceed as if it is still forthcoming.

Q. Is this something that would be worth pursuing from a legal perspective?

A. (Mr. Rose): If it gets to that point, this is a decision that the Mayor and Council would make in an Executive Session.

Councilmember Fuller asked what the City's responsibility would be for covering its percentage of the total project cost? Ms. Sharp stated it is an 80/20 match, where the City would receive \$500,000, and be required to pay \$130,000.

Sanitation

- Funds a semi-tractor-trailer replacement
- Funds Transfer Station Ramp Improvements

Planning & Zoning

- Funds Nuisance Abatements
 - Board-up of homes
- Maintains Current Staffing Levels

✚ *Next Fiscal Year, much of their focus will be on concluding the Zoning Code updates.*

Parks, Recreation, and Public Area Maintenance

- Proposes Funding for Annual Tree Trimming Program
- Proposes Funding for Tree Replacement; (Pershing/Ferguson)
- Proposes Funding for Dead and Hazardous Tree Removal
- Proposes Funding for Heman Park Pool Filter Room Improvements
- Proposes Funding for the Tree Replacement Program
 - Emerald Ash Borer
- Proposes Funding for Driving Range Const
- Proposes Funding for #1 Tee and Green Const.

Councilmember Clay asked when the Department of Public Area Maintenance came into existence, and what it covered? Mr. Rose stated that Public Area Maintenance was added to the organization's structure several years ago. The Street Division, Parks, and public areas now fall under this broader category referred to as Public Area Maintenance, which is responsible for all of the City's public sectors.

Councilmember McMahon posed the following questions to Mr. Rose:

Q. When you look at the transfers in and out, it appears as though 1.5 million dollars was transferred out of Fleet Maintenance to the General Fund?

A. Unless there is a typo, it should state that the transfer was from the General Fund to Fleet Operations.

Q. Then there appears to be a typo.

A. I will make sure it gets corrected. Where we identify the transfer that goes to Fleet from Fire is correct because that's who manages it. But where it states that the transfer was from Fleet to the General Fund is incorrect.

Q. So, it should state that the transfer came from the General Fund to Fleet Management because from there it gets disbursed to the departments with fleet, one of which was Sanitation, which has a lot of fleet it is unable to maintain on its own?

A. That's correct, although Fleet Management was just one example of where the General Fund is absorbing some of the costs.

Q. When the City started to rebound from COVID and flooding, my understanding was that the goal was to direct attention to recreation. But dollar-wise, there does not seem to be an increase projected to enhance our recreational programs. If that was our goal, shouldn't we see that reflected in the budget? I know we are doing a pilot program this summer, so should we anticipate that the Camp Directors, Counselors, and assistants will be in place?

A. The first thing that needs to happen is a plan, which is something Ms. Sharp and Mr. Girdler will be working on. Once that is developed, it will be presented to Council, along with any necessary budget amendments. The one thing that I am relatively certain about is that the summer camp program will continue to operate next Fiscal Year, and that funding has been identified and recommended to Council.

Q. It also looks like the years might be wrong under Parks and Recreation on pages 157 and 167. Where it's reflecting "Performance Summary" and "Performance Measurements," they go through 2024, eliminate 2025, and then it's projected for 2026.

A. We will make sure those are corrected when the final budget document is presented for consideration.

SUMMARY OF OTHER FUNDS

Public Safety Sales Tax Fund

Total Revenues:	\$2,500,100
Total Expenditures:	\$2,264,184
Ending Fund Balance:	\$ 2,028

✚ ***This fund covers Police, Fire, and the Pension Fund.***

✚ ***Council recently approved a contract to look at changing the trajectory of the Uniformed Pension Plan.***

Capital Improvement Fund

Total Revenues:	\$3,053,320
Total Expenditures:	\$3,971,919
Ending Fund Balance:	\$ 81,553

Park & Stormwater Fund

Total Revenues:	\$2,200,100
Total Expenditures:	\$2,362,690
Ending Fund Balance:	\$1,559,670

- ✦ **Staff is recommending that this fund be built up to cover the 5 million dollars needed for the retention basin being designed by the Army Corps.**

Councilmember Clay posed the following questions to Mr. Rose:

Q. Are you looking to fund the 5 million dollar match exclusively from the Park & Stormwater Fund?

A. Yes, it's a stormwater project, so his recommendation to Council will be that the retention basin be funded wholly from this fund.

Q. What is the timeline for when these funds will be needed?

A. Anytime you deal with the Federal Government, it's probably going to be a couple of years out. Once the design is completed, an Appropriations Bill will be needed to cover the cost of construction, and that is not going to be easy.

Q. Based on where we are today, how do you anticipate building this fund up to 5 million dollars in a couple of years?

A. If we are still in a good position, his recommendation will likely be that the General Fund loan Park & Stormwater the money to cover any deficit that will be paid back over a period of time; similar to what we did for Public Safety. But practically speaking, it is going to take several years to get an Appropriations Bill approved.

Councilmember Brenner posed the following questions to Mr. Rose:

Q. Today, you're showing that the fund's expenditures are exceeding its revenues, so how will we be able to add anything next year?

A. I suspect that you won't see the same level of expenditures in FY27 that you are seeing in FY26. So, I absolutely think we will be able to add to the fund's balance.

Q. The revenue is 2.2 million, the expenditures are 2.3 million, so, --

A. The reason I've said that is because this is a fund that you could zero out each year. So, I'm only recommending that we start saving to achieve a healthy fund balance because of this upcoming expenditure. Keep in mind that we are pretty conservative when preparing our budgets because I would rather have you pleasantly surprised by a surplus than go over budget. A good example is that in FY24, staff budgeted for a 36% fund balance for the General Fund, and the audit came back at 41%.

EDRST Fund

Total Revenues:	\$1,300,100
Total Expenditures:	\$ 979,700
Ending Fund Balance:	\$3,736,223

- ✦ **There could be one project that staff is hoping to see advanced by the EDRST Board that may have a significant impact on the balance.**

Fire Service Fund

Total Revenues:	\$1,150,000
Total Expenditures:	\$1,150,000
Ending Fund Balance:	\$ 0

- ✦ **The Fire Service Fund was created this Fiscal Year as more of a legal requirement. It covers much of the buyer operation expenditures, and will be zeroed out each year.**

Third Ward Revitalization Fund

Total Revenues:	\$ 304,000
Total Expenditures:	\$ 0
Ending Fund Balance:	\$3,916,000

- ✦ **The expenditures for this fund occurred after this proposal was developed and will be amended on the final budget document to reflect the true balance.**

Sewer Lateral Fund

Total Revenues:	\$ 570,000
Total Expenditures:	\$ 619,615
Ending Fund Balance:	\$ 474,524

Debit Service Fund

Total Revenues:	\$ 1,808,757
Total Expenditures:	\$ 1,808,750
Ending Fund Balance:	\$ 141,344

- ✚ *This is the first year for funding these expenditures, and the fund's small ending balance will reduce next year's encumbrances.*

Amendments

- Increase Starlight Concert Series Budget by \$5,000
- Add Third Ward Revitalization Position Under Third Ward Fund
- Reduce Electric for Parks Leaf Blower (\$1,800)
- Increase Electric Cost for Police Modular Units by \$20,000
 - This cost will be covered with a reduction in overtime
- Decrease Police Overtime (\$20,000)

On The Horizon

- Completion of Renovation Projects
- Retention Basin Construction Project \$14 million - \$5 million local match
- Non-Uniform Retirees' 1 percent COLA
- Improve the Uniform Pension System

Councilmember Tieman asked Mr. Rose if the \$5,000 increase in the budget for the Starlight Concert Series was permanent or a one-time enhancement? Mr. Rose stated that it is intended to be a permanent increase.

Councilmember Smotherson posed the following questions to Mr. Rose:

Q. The 3rd Ward Fund is a provisional fund being utilized until the 10 million dollars is received. So, will the 3rd Ward Fund position you've identified in your amendments be closed out when that aspect of the plan is over?

A. No, the position will continue. Included in the plan was a recommendation that the 3rd Ward Fund covers the costs for approximately five years, and then it switches over to the General Fund.

Q. After five years?

A. I believe that it's five years. But I'm certain that the plan states the fund should absorb the costs for a specific period of time.

Q. Under the City Manager's Office, can you clarify the difference between "Funds ROARS and City Calendar" and "Funds communications consultant"?

A. My office funds the consultant who is a consultant to the City's communications manager, who is in charge of producing ROARS and the City Calendar.

Q. Why does it state that the City Manager's office funds the Resident Satisfaction Survey when the money comes out of the General Fund?

A. The division responsible for executing the survey is the City Manager's office; specifically, the Deputy City Manager of Support Services. That position falls under the City Manager's office, whose funds come out of the General Fund.

Q. And that would be the same for Transfers Funding for Annex/Trinity Debt?

A. Yes.

Councilmember McMahon posed the following questions to Mr. Rose:

Q. Page 118 of the Budget Book shows a 32% decrease in the contributions to the Non-Uniform Pension Fund for Public Works' Administration and Engineering Program. However, if you look at the other departments, their contributions have either increased or remained the same. So why is there such an anomaly for this department, especially if they are going to be adding employees?

A. We're not proposing to add additional employees to Public Works, but normally what we do is look at the amount budgeted for the current Fiscal Year and track it back for a couple of years to see if we are on target, off track, or need to make some changes. But I'll ask Mr. Cole if he can provide you with more details about the percentage.

A. (Mr. Cole): I'll have to get back to you with the calculations, but basically, it's a percentage of the personnel in that department when it's compared to all of the other departments.

Q. Is there a way for Council to know how many miles of streets or length of sidewalks the City anticipates repairing in the next Fiscal Year?

A. We should be ready with a report regarding the sidewalks and streets at Council's Planning Session in September.

Q. The budget has funds allocated for police officers, but could we get the current number of officers that we have on staff?

A. Chief Hampton's report he's preparing for the September Planning Session, will answer that question.

Mayor Crow posed the following questions to Mr. Rose:

Q. What is the capital expenditure of 1.55 million on page 98 under the Fire Department?

A. That sounds like the transfer to Fleet Operations.

Q. Is that for the truck?

A. Yes, I think so.

Q. Page 177 shows that the Library's budget has been zeroed out. Can you walk through that for the folks listening to this session?

A. The Library is overseen by its own Board that approves the budget, and that is scheduled to occur sometime this month. The Library's Director informed us that this year, the Board decided to extract their budget from the City's overall budget to allow them the opportunity to approve it first.

Q. Is that a protocol you are comfortable with?

A. While I understand the importance of the Mayor and Council seeing the full budget since it is ultimately your responsibility, I'm sure that Mr. Cole will be working with the Director to at least get a draft of what has been approved for Council to review, along with all of the other budgets being proposed.

Mayor Crow informed Mr. Rose that these questions could be answered at a later time:

- On page 55 under General Administration/Human Resources, there is a 180% increase in commodities. Can you explain why that percentage is so high for this department?
- On page 93, there is a 28% increase under Police Operations/Pension Contribution Non-Uniform.
- On page 119, 10% or \$485.391 of Public Works Administration/Engineering's budget is listed as "other". I think anytime you have 10% of something listed as "other," the rule of thumb is to tell the reader what that item is.

Mr. Rose provided the following answers to the questions he received via email:

A. The City's bond rating is AA+. This was increased in 2024, as a result of the review that occurred prior to the issuance of bonds for the Annex and Trinity buildings.

A. The services that are currently being contracted out include leaf collection, tree removal, a portion of vehicle maintenance for fire trucks, and some mowing projects.

A. There is an 81% drop in the IT Department because of my proposal to decentralize IT and gain a better understanding of the operating costs for each division within that branch.

A. The 45% increase in commodities is related to the purchase of new furniture, fixtures, and equipment associated with renovating the Annex.

A. The proposed funding source for the Fire Department's communication radios and cabinets is the Capital Improvement Fund.

A. The Loop Special Business District (LSBD) is funded through business licenses and property taxes. Typically, Wash U keeps any non-educational buildings it owns in The Loop on the tax roll, so the LSBD will get a contribution from those property taxes. They also receive a contribution from the buildings Wash U leases out, which are required to obtain a business license.

Mayor Crow stated there have been times in the past when the City has had to remind Wash U to make those property tax payments. So, I hope someone is monitoring those buildings to make sure they are still on the tax roll and that payments are being made.

Mr. Rose stated it appears as though Mr. Cole is writing that down to make sure he monitors those accounts to ensure that payments are being made on a regular basis.

Mr. Rose stated that there was a question regarding the Victim Advocate Position that historically was a budgeted item. There is a typo that needs to be corrected, but I will ask Chief Hampton to provide us with his insights into what happened to that position when the grant ended several years ago, and how those responsibilities are being absorbed today.

Chief Hampton stated that the Victim Advocate Position is being absorbed within the Crime Analyst/Grant Coordinator Position. However, this involves a very proactive group approach, which encompasses his Police Chaplains and any other personnel needed to address a specific victim's or even a family's needs. For example, when the St. Louis County and State funds dried up, his Department donated supplies on their own and collaborated with other groups to help a large family that found themselves homeless after a fire.

Mayor Crow stated that he appreciates the level of detail his colleagues put into reviewing this budget, and since his belief is that a vote on the budget is scheduled for next Monday, he would encourage them to get any unanswered questions to the City Manager between now and then.

3. 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. and 610.021 (3) Hiring, firing, disciplining, or promoting of particular employees by a public governmental body when personal information about the employee is discussed or recorded.

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

Roll Call Vote Was:

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

Nays: None

4. ADJOURNMENT

Mayor Crow thanked Mr. Rose and his staff for the time they've dedicated to preparing this budget, and closed the Study Session at 7:32 p.m. to go into a Closed Session on the second floor. The Closed Session was reconvened in an open session at 7:52 p.m., and the Study Session was adjourned.

LaRette Reese,
City Clerk, MRCC