

**CITY OF SHREWSBURY**  
**BOARD OF ALDERMEN**  
**WORK SESSION OF THE BOARD OF ALDERMEN**  
**October 14, 2014**

A Work Session of the Board of Aldermen of the City of Shrewsbury, Missouri was held at 7:35 p.m. this 14<sup>th</sup> day of October, 2014 in the Aldermanic Conference Room of City Hall for the transaction of such business that may come before the Board.

There were present:

Mayor .....	Felicity Buckley
Alderman .....	Elmer Kauffmann
Alderman .....	Mike Travaglini
Alderwoman.....	Chris Gorman
Alderman .....	Sam Scherer
Alderman .....	Ed Kopff
Alderman .....	Rick Steingrubby

There were also present:

City Attorney .....	Michael Daming
Director of Administration.....	Jonathan D. Greever
Director of Finance .....	Danielle Oettle
Director of Parks and Recreation.....	Chris Buck
Street Superintendent.....	Tony Wagner
Fire Chief.....	Bill Fox
City Clerk.....	Carly West

**Roll Call**

Mayor Buckley opened the meeting and City Clerk Carly West commenced with the roll call. The entire Board was present.

Alderman Kopff made a motion to add "Hear Citizens" to the agenda. Alderman Kauffmann seconded the motion, and it passed unanimously.

Dee Wiecher of 5322 Kenrick View Drive addressed the Board to thank Mr. Greever for all of the work he did to ensure that her neighbor was put in contact with Missouri American Water and noted that her plumbing bill would be taken care of.

**Budget Discussion**

Mayor Buckle opened the budget discussion, and noted that it was just a draft and a working document and that Ms. Oettle had provided some updated information since the packets went out. She noted that in those changes was a change in the way liability accounts were accounted for, and that Ms. Oettle had worked to make sure that wouldn't affect the deficit because it did not, in reality, affect the deficit.

Ms. Oettle explained the supplementary pages, and noted that one of the pages explained the sales tax pool situation and how those taxes were redistributed among those cities. Mayor Buckley noted that among the supplementary pages were departmental justifications, and that included in those justifications were items that had already been taken out of the budget, and that she felt that it was important to note what had been removed and what the departments had agreed to go without. She stated that with those items removed, the deficit would be \$317,987 in the general fund and a deficit of \$73,551 in the capital improvement fund. She

stated that there was a 2.6% salary increase included in the budget and that the budget was written with the assumption that Walmart would be opening in the last quarter of 2015, but that was not guaranteed.

Alderman Kauffmann stated that he understood that Walmart generally only opened stores at two specific times in the year, and Mayor Buckley replied that while that was generally true, it wasn't necessarily going to be the case. She stated that they had not set a date yet, but she believed it would probably be around September, and for budgeting purposes, they had assumed the last quarter and used the cost/benefit analysis.

Mayor Buckley began with general fund revenue, and stated that there would not be much change in revenue. She stated that they had discussed beginning to charge for park rentals like other municipalities do, and that it would cover costs of things like soap or toilet paper in the bathrooms. Mr. Buck explained that there was an electric fee for renting the pavilions, and residents would be charged \$25, and non-residents would be charged \$50, and that revenue was already included.

Ms. Oettle stated that sales taxes had been adjusted up to account for Walmart opening, but that had been adjusted conservatively and had only been adjusted for 4 months based on the cost/benefit analysis. She noted that telephone utility taxes had been trending down for the past several years, but that cable utility taxes had been trending up.

Alderman Kauffmann asked if Ms. Oettle had included a decrease in sales tax for other stores such as Dierbergs and Shop N Save for the opening of Walmart, and Ms. Oettle answered that she didn't have a projected decrease for those stores, and that she could look to see if that would be an issue. Mayor Buckley stated that she believed that it was included in the cost/benefit analysis, but they would make sure it was covered.

Mayor Buckley noted a decrease in licenses and permits because the construction would be wrapping up, and Mr. Greever noted the reduction in the business license rate caused a reduction in business license revenue.

Alderman Kauffmann asked if Ms. Oettle had included sales tax information for just the fourth quarter, and Ms. Oettle answered that generally the openings were around August, so she had factored in 4 months. Mayor Buckley stated that they understood that it was not guaranteed, but that they had worked to make sure the numbers were both conservative and realistic. She stated that along with the question of Walmart's opening date, there was also the ongoing desire to get CTS in to work on updating the City Center so the heating and air conditioning wouldn't be such a huge cost and concern and how that would fit in with the budget, along with things like tuck pointing and roofing. She stated that for the draft, the assumption was that the funds for that should be removed from the budget and the Board would need to decide if they wanted to pursue that work. She also noted that would affect the capital and the general fund, with maintenance being part of that cost.

Mayor Buckley moved on to expenditures, beginning with Public Works. She stated that Mr. Wagner had requested an additional staff member, and that it had been taken out of the budget. She noted that the budget was fairly stable and not many changes had been made, other than the 2.6% salary raise.

Mayor Buckley moved on to the Police Department, and noted that the main change that had been an increase in overtime, which was a result of Walmart and the hope that other stores would move in and be open, and that cost was not guaranteed. She stated that the other main adjustment had been in ammunition costs, because it simply was not available, but if it does become available, a budget amendment might be needed later. She further noted that there was not a lot of room for tweaking in this budget, and that as many things as possible had been taken out and expenditures had been kept fairly tight.

Mayor Buckley moved to the Fire Department, and stated that Chief Fox had requested an additional firefighter, but that had been removed from the budget. She noted that it would help their operation run more efficiently, but that it was simply not possible for this budget year. Alderman Scherer thanked Ms. Oettle for including the personnel organization charts for each department.

Chief Fox noted that, regarding ambulance fees on the revenue side, the City is leaving a lot of money on the table, and that they only take what insurance pays. He noted that this is only done for residents and not out-of-area patients, and explained how the system works for patients with Medicare and Medicaid, and that the potential for billing residents still exists. Alderman Travaglini asked how much was being left on the table with the current system, and Chief Fox answered it was difficult to know for sure, but for most residents with insurance, the copay for ambulance fees is \$200-\$300. Alderman Travaglini asked how many ambulance calls there are per year, and Chief Fox answered that there were approximately 1,100, of which around 700 were residents. He noted that not all of those are transports, but that it was a significant amount of money. He stated that there are departments throughout the area who charge everyone the same and some that don't charge residents anything. Mayor Buckley asked Chief Fox to get a more accurate number to bring back to the budget meeting and the Board would need to ask themselves if it would be time to start charging residents.

Alderman Kauffmann stated that a promise had been made to the residents that they would not be charged for ambulance service more than what insurance would provide. Ms. Oettle asked if that had been done when the fire sales tax had been passed, and Mayor Buckley and Alderman Travaglini asked when that promise had been made. Alderman Kauffmann stated that it had been awhile back and Chief Fox stated that it was known among residents that the City does not charge more than what insurance provides. Alderman Kauffmann stated that it may have been before Alderman Travaglini was on the Board and that residents were aware of this promise. Alderman Travaglini stated that his wife had needed ambulance service and he appreciated the break, but that he wasn't sure it was still feasible to do that. Chief Fox stated that more people in the past year had stated that they didn't have insurance, and those people were not charged. Alderman Kopff asked if there was a way to validate that, and Chief Fox stated that they contacted the hospitals, but otherwise there was not. He also stated that they did try to collect from non-residents or people just passing through, but the collection rate had not been good.

Mayor Buckley stated that she understood that it was tradition to not charge residents, but that unless there had been a formal promise to the residents, it was not reasonable to hold a City to a promise that Aldermen had made decades prior. She also stated that there was a time when equipment on the ambulance was replenished by the hospital and then charged to the patients, but that was no longer allowed, raising costs of ambulance service. Chief Fox stated that they had started billing when that change had occurred. He explained that hospitals were paying double to ambulances as incentive to bring patients to them, so the Department of Health said they could not replenish stock anymore, and when that change occurred, the budget for supplies on the ambulances went from \$2,500 to \$50,000, making it necessary to start billing.

Alderman Travaglini asked if it was customary in other cities to not charge residents, and Chief Fox said that in some they do, and in some they don't. He stated that Webster Groves and Affton Fire District do it similar to Shrewsbury. He said that Creve Coeur doesn't charge if the patient lives or works in the district, because they can afford that. He said that it varied around the region, but Shrewsbury is fairly consistent with surrounding municipalities. Mayor Buckley asked Chief Fox to run some numbers and provide some more concrete information for the Board to use in their decision-making, because the deficit is fairly large, and there was no windfall coming. She stated that she hoped further development along the corridor would help, and that it could be changed back if they decided to charge, even though she realized people didn't like to go back and forth. Chief Fox stated that when they had begun charging, they had approached various groups around the community to explain the change and why it was happening, similar to what Mayor Buckley was suggesting be done now if they decided to start charging. Mayor Buckley reiterated that they needed to get some numbers to consider.

Alderman Travaglini suggested that one possibility was that the charge be what the insurance does not pay up to a certain maximum amount, such as \$100. Chief Fox stated that the City does not find out what the deductible actually is, and Alderman Travaglini suggested that there could be some sort of simple formula put in place to determine what should be charged, and have a maximum amount so that the City could see some relief. Mr. Greever suggested possibly 25% of the amount. Alderman Kopff stated that a fairly low flat fee of around \$50-\$100 would at least help offset the cost of supplies. Chief Fox noted that there was a large

elderly population in Shrewsbury. Mayor Buckley noted that it would be possible to implement a payment plan option to help people with costs. Chief Fox stated that they currently offer that.

Mayor Buckley moved on to Administration, and there were no specific comments or questions. Mayor Buckley asked why the telephone fees had gone up, and Mr. Greever answered that all of the phone companies had begun charging more. Alderwoman Gorman asked about an AT&T settlement, and Mr. Greever answered that he was not aware of it, and the courts would notify the City if the City is eligible.

Mayor Buckley moved on to Building and Housing, and noted that everything stayed mostly the same and that the year-end estimate would be more accurate at the next budget meetings, so any changes could be made at that time.

Mayor Buckley moved on to Municipal Court, and noted that the continuing education money being included in various departments was important so that staff members could stay aware of any changes or updates in the laws.

Mayor Buckley moved on to the Public Safety Building, and there were no specific comments or questions. Mayor Buckley moved on to the Parks & Recreation department, and noted that when there is an increase in expenditures, there is generally an increase in revenue. Mr. Buck noted that the expense for aquatic instructors would be going up as the swim team continues to get larger, but there would be an offset in revenue from the money collected for registration from the additional swimmers. Mayor Buckley asked if there was anything that was not offset, and Mr. Buck answered that the phone costs had gone up due to the need for internet and cable at the pool. There was an error in one line in the Parks budget, and once corrected, it changed the amount of the deficit down to \$300,987.

Mayor Buckley noted the debt payments that had been put into the capital fund. Ms. Oettle stated that they matured in 2018 but that the payment had gone down significantly, but it would remain the same until the final year. Mr. Greever noted that the Shrewsbury Improvement Corporation had met recently and presented the City's financial information, which they were very pleased with. Mayor Buckley stated that this links to the CTS discussion regarding upgrades to the building, and that if the work were done, it would be completed in 2015, payment would begin in 2016, and a stair step payment would be worked out so the initial payments were lower, and they could increase once the debt was paid off.

Mayor Buckley moved on to the Legislative section, and noted that the ADA transition costs had been moved from the Parks department to City-wide, and stated that Mr. Buck had had several companies come in and look at the building, and was currently working with Para Quad to evaluate the building for ADA accessibility and find out what repairs and upgrades need to be made.

Mayor Buckley noted that under "Chamber Relations/Public Relations," \$5,000 had been allocated for Route 66 banners to be installed. She stated that the opening of Walmart would be an opportune time to promote Historic Route 66, and it would probably be a good economic opportunity for the City, although she couldn't give them any hard numbers on how much it could bring in. She said it would be up to the Board to consider if they thought the money would be well spent in this manner. She noted that the banners would be larger, would last 5 to 8 years, and would be situation at the both Shrewsbury ends of Route 66. She also stated that more banners could be added later. General consensus was in favor of the expense. She stated that she would leave the money in for the time being, and they could revisit the topic later.

Mayor Buckley asked Ms. Oettle to show what the deficit would be if the 2.6% raises were removed. That reduced the amount to \$215,203. Mayor Buckley also asked Ms. Oettle to show what the deficit would be if each employee were given a lump sum payment of 2.6% of their current salary instead of a raise – this would not affect longevity or overtime, and other benefits would be slightly lower. The deficit would then be \$285,987.

Mayor Buckley moved on to the capital improvement fund. She began with revenues, as Ms. Oettle stated that the opening of Walmart was factored in conservatively, and noted that the expenditure of the Parks grant was offset by the grant money received, but that there would be some cost with the 5% match that was required. He also noted this would not be an issue if the grant were not awarded to the City and that both the revenue and expenditure would be removed.

Mayor Buckley noted that the starting deficit for the capital improvement fund was \$73,557. Mayor Buckley stated that an adjustment needed to be made with regard to the STP grant currently underway, as there might be some changes with the designation of Kenrick Manor Drive from a feeder road to a non-feeder road. Mr. Greever stated that if it is re-designated, there would be an approximately 33% reduction in the amount received, but that also means a 33% reduction in the expenditure amount. Ms. Oettle explained that the amount had been adjusted due to that, and also due to the fact that there had been money allocated in 2014 for the project, but none of that would be spent until 2015, as well as reimbursement throughout the year, which Ms. Oettle had been assured had a fairly quick turn-around. Mr. Greever also noted that this was for the design engineering phase only.

Mayor Buckley stated that she would like the capital improvement fund to be balanced so that if there was a deficit in the general fund, that deficit could be somewhat offset by the capital improvement fund being balanced. She stated that the Police Department had budgeted \$30,000 for body cameras for police officers, but that the City would like to hold off for the time being until there was more legal precedent for how those were used and how the information was stored with regards to Sunshine Laws and who had access to it. She stated that while they would like to move in that direction, she would like for the City to wait until the legislation caught up with them. She stated that for 2015, the \$30,000 would be removed, bringing the deficit down to \$43,557.

Chief Keller noted that there was \$10,000 in the same "Minor Equipment" fund that was actually a block grant they were applying for, so that amount would also be offset in revenue if they were awarded the grant. He stated that if the grant were not awarded, the equipment would not be purchased, so Ms. Oettle accounted for that grant the same way as the Park grant, bringing the deficit down to \$33,557.

Mayor Buckley moved to Public Safety, noting the \$19,782 for the air conditioning units (\$13,782), a furnace (\$5,000) and sally port locks. Chief Keller stated that replacing these things had been in the budget over the past several years in anticipation of having to replace them, but it had yet to happen, so there was the chance that it might not be necessary again this year.

Mayor Buckley noted that while, in past years, the deficit had been larger, the real goal was a balanced budget. She suggested that, for the second round of budget meetings, they review the 5-Year Capital Improvement Plan to see where they thought the City should be and what they should or should not be including in the budget and what can be held off until next year.

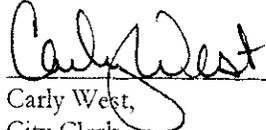
Alderman Kopff asked if it would be possible for Ms. Oettle to provide a very basic 2016 budget based on what the projected revenue increase with Walmart being open was. He stated that it would be easier to know what could and could not be held off for one more year if they had some idea of what at least 2016 was going to look like financially. Alderman Scherer noted that the revenue from Walmart is not going to be a complete "cash cow" of the 2016 budget and that there would be additional expenses with having a development like that.

Mayor Buckley stated that the Board would need to spend some more time reviewing the budget and make some decisions for the next budget meeting, especially the proposed 2.6% raise, as she was concerned with the possibility of cutting salaries or positions if the economy does not improve.

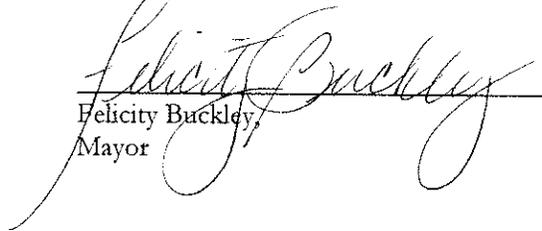
### **Adjourn**

A motion to adjourn was made by Alderman Travaglini, seconded by Alderman Scherer, and approved unanimously.

Respectfully submitted,

  
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Carly West,  
City Clerk

ATTEST:

  
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Felicity Buckley,  
Mayor