

CITY OF SHREWSBURY
BOARD OF ALDERMEN
WORK SESSION OF THE BOARD OF ALDERMEN
October 28, 2014

A Work Session of the Board of Aldermen of the City of Shrewsbury, Missouri was held at 6:00 p.m. this 23rd day of September, 2014 in the Aldermanic Chambers of City Hall for the transaction of such business that may come before the Board.

There were present:

MayorFelicity Buckley
Alderman Elmer Kauffmann
Alderman Mike Travaglini
Alderwoman..... Chris Gorman
Alderman Sam Scherer
Alderman Ed Kopff
Alderman Rick Steingrudy

There were also present:

City AttorneyMichael Daming
Director of Administration.....Jonathan D. Greever
Director of FinanceDanielle 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. A quorum of the Board was present.

Approval of Minutes

Mayor Buckley introduced the minutes of the October 14, 2014 Regular Session and opened the floor for discussion. Alderman Kauffmann stated that there were a few items missing that he would like included. He stated that one Alderman had asked about what other communities charged for ambulance service, and Chief Fox had stated that Affton, Webster Groves, and Creve Coeur do not charge. Chief Fox said that he had stated that most charge, but Affton and Webster Groves both do what Shrewsbury does, as do Richmond Heights, Clayton, and Brentwood, and that in Creve Coeur, if you live or work in the district they do not charge, which is different than what Shrewsbury does. Alderman Travaglini noted that he had been the one to ask the question. Director Greever asked, as a point of order, if he was referring to the minutes from the Regular Session, and Alderman Kauffmann stated that he was referring to the minutes from the Work Session. Mayor Buckley stated that the minutes under consideration were the Regular Session and asked if anyone had any discussion regarding those. There being no discussion, Alderman Steingrudy made a motion to accept the minutes. Alderman Travaglini seconded the motion, and it passed unanimously.

Mayor Buckley introduced the minutes of the October 14, 2014 Work Session and opened the floor for discussion. Alderman Kauffmann stated that he would like the information previous mentioned added to the minutes, as well as Chief Fox saying that a lot of the residents knew that we didn't charge for ambulance service from past experience. City Clerk West stated that she would review the recording of the minutes and add any details that were not included. Alderman Travaglini noted where the minutes noted that he had

asked about other municipalities on page 3, and Alderman Kauffmann stated that there was no answer and that Affton was not specifically mentioned. Chief Fox noted that Affton is a Fire District with a special tax, so their situation would be different than Shrewsbury. Mayor Buckley confirmed that Alderman Kauffmann was asking for further detail to be added, and stated that the Board could either pass the minutes with corrections, or table the minutes for the next session. Alderman Kauffmann made a motion to table the minutes until the next meeting. Alderman Scherer seconded the motion, and it passed unanimously.

Mayor Buckley introduced the minutes of the October 15, 2014 Plan Commission meeting and opened the floor for discussion. There being no discussion, Alderman Travaglini made a motion to accept the minutes. Alderwoman Gorman seconded the motion, and it passed unanimously.

Hear Citizens

Dee Weicher of 5322 Kenrick View Drive stated that she had been listening carefully in the last budget session, and had done some research she wished to share. She stated that the median household income in Shrewsbury was \$49,454, the median per capita was \$29,070 and there is over 10% below the poverty level, or 754 households that report an income of less than \$20,000 per year. She stated that \$100 for an ambulance call might not sound like much, but it was for some residents. She stated her dismay at the conversation held after the discussion of charging for ambulance service in which the Board considered spending \$5,000 for banners advertising Route 66. She said she hoped the Board would think about it in terms of someone who didn't have as much money.

Mayor Buckley stated that, without fail, the issue of charging for ambulance service comes up, and it is the responsibility of the Board to discuss every form of revenue possible. She stated that the Fire Chief had brought more firm numbers so the Board could be more informed in their discussion, and thanked Ms. Weicher for reminding the Board of those statistics, but that it was necessary to discuss how the City would be paying for the services it offered residents. Alderman Travaglini noted that every form of revenue was on the table for discussion at this point in the budget process. Mayor Buckley stated that it was also important to remember that there had been a freeze on salaries, and the same issues face the City employees as do the residents.

Mayor Buckley stated that, in regards to the banners that had been discussed, she was going to be revisiting the topic and asking the Board to consider that expense, but that in some cases, it was necessary to spend money in order to make money in the long-term, so all of those things were important to discuss.

Nomination and Appointment of Temporary Plan Commission Member

Mayor Buckley introduced the nomination of Kevin O'Brien for the Plan Commission. Director Greever stated that Alderman Scherer had submitted his name and highly recommended Mr. O'Brien. Alderman Travaglini stated that Mr. O'Brien is a general contractor and very knowledgeable. Alderman Scherer made a motion to appoint Kevin O'Brien to the Plan Commission. Alderman Kauffmann seconded the motion, and it passed unanimously.

Ordinances

(Bill No. 2798)

Mayor Buckley introduced Bill No. 2798, a bill approving a contract with WM Financial Strategies for the provision of financial advisory services related to potential energy efficiency upgrades to the City Center and the Public Safety Buildings. She explained that the ordinance being considered was to retain the services of Joy Howard to move forward with the financing and that due to the nature of the project and how it would need to be funded, it was necessary to hire someone with expertise in the area to make sure the City fully understood the different mechanisms of this lease.

Alderman Travaglini made a motion to amend the agenda to correct the Bill No. on the agenda from 2794 to 2798 and to add a second reading and consideration to the agenda. Alderman Scherer seconded the motion, and it passed unanimously.

A motion was made by Alderman Scherer, seconded by Alderman Travaglini, and unanimously passed in accordance with Section 79.130 as approved by the General Assembly of the State of Missouri, to read the Bill by Title only for the first time. Mayor Buckley opened the floor for discussion. There being no discussion, a motion was made by Alderman Scherer, seconded by Alderman Steingrubby, and unanimously passed in accordance with Section 79.130 as approved by the General Assembly of the State of Missouri, to read the Bill by Title only for the second time. Mayor Buckley opened the floor for final discussion. There being no discussion, Alderman Scherer made a motion that Bill No. 2798 be adopted to become Ordinance No. 2786. Alderwoman Gorman seconded the motion and upon roll call, the following vote was recorded: Alderman Kauffmann, "Aye"; Alderman Travaglini, "Aye"; Alderwoman Gorman, "Aye"; Alderman Scherer, "Aye"; and Alderman Kopff, "Aye"; Alderman Steingrubby, "Aye".

There being a majority of votes in favor, the Mayor declared the motion passed and that Bill No. 2798 was adopted as Ordinance No. 2786.

Discussion

Mayor Buckley introduced the topic of nominations for Citizen of the Year. Alderman Kauffmann nominated Joe LaVenture and Jane Corbett. Alderman Steingrubby agreed with both of Alderman Kauffmann's nominations, but also nominated Beth Parker. Alderman Kopff noted that Jane Corbett was being honored at the Holy Cross Gala. Mayor Buckley noted that a Shrewsbury resident, Ann Leicke, had written a book that had received many prestigious awards, but that she had thought she might like for everyone to get a chance to read the book and possibly nominate her the following year.

Mayor Buckley stated her concern in nominating Joe LaVenture is that the City had offered to honor him the previous year for the Centennial, but Mr. LaVenture had not participated. Mayor Buckley noted that Jane Corbett had gone to Haiti several times and had brought several children back for surgeries and Ms. Corbett helped find sponsor homes for the children while they're in the US. Alderman Scherer also noted that she arranges group trips down to Haiti to do work and finds sponsors so they can take money down to Haiti to help out. Mayor Buckley stated that there was a woman who works with Ms. Corbett who had arranged the current shoe drive who might also be a good candidate for Citizen of the Year. She stated that she had wanted to nominate someone who had done work outside of the borders of Shrewsbury.

General consensus was that, as the Holy Cross Gala was only a couple of weeks away, and that the Citizen of the Year would be awarded several months hence, it would be agreeable to nominate Ms. Corbett. It was decided that Jane Corbett would be Shrewsbury's nominee for Citizen of the Year.

Mayor Buckley introduced the issue of the firearm reimbursement program and asked if there were any questions. There being none, a motion was made by Alderman Kauffmann to institute the firearm reimbursement program. Alderman Travaglini seconded it, and it passed unanimously.

New Business

None.

Old Business

None.

Closed Session

Alderman Travaglini made a motion to enter into a closed session pursuant to RSMo 610.021 (1, 9). Alderman Kauffmann seconded the motion and upon roll call, the following vote was recorded: Alderman Kauffmann, "Aye"; Alderman Travaglini, "Aye"; Alderwoman Gorman, "Aye"; Alderman Scherer, "Aye"; and Alderman Kopff, "Aye"; Alderman Steingrubby, "Aye".

Budget Workshop #2

Mayor Buckley began the budget workshop by stating that this budget was particularly difficult because of projects that had not been completed yet. She stated that because of the CTS project for updating the City Center and Public Safety Building, some things such as tuckpointing and heating and air conditioning had been taken out, and if the CTS project were not on the table, those would need to be added back in. She stated that not all of the details were in place, but the budget was being planned with the understanding that the Board would probably go the route of implementing the CTS project.

Mayor Buckley stated that the CBIZ compensation study was also an on-going factor, and that there was still a 2.6% raise in the budget. She stated that the study results would be presented soon, and several scenarios had been presented. She stated that it was looking like the City would be looking to being in the 40th percentile, and if that were the case, there would be 13 positions that would be below the minimum. She stated that with the 2.6% raise, six of those positions would be at least at the minimum, although there would be more discussion as to how this would work. She stated that if the raise were taken out, there would be that much more to make up when the study results were implemented. Mayor Buckley stated that there were some positions that were at the maximum or beyond, and for those, the City might do a lump sum bonus instead of giving the 2.6% raise, saving the City some, but not a great deal, of money, but that it was important to take all factors into consideration.

Mayor Buckley stated that the City's reserves were at 32% of expenditures, which was within the policy target of 25% to 35%, so while there was a large deficit, the surplus remained solid.

Mayor Buckley turned to the Legislative budget in the general fund, and stated that she had removed the \$4,200 for the banners, but that she still felt it would be valuable moving forward to promote the business district, and that surrounding municipalities had advertisements like that. She stated that while it would be good to join in the grand opening, there would still be other opportunities to advertise.

Mayor Buckley listed other items that had been removed: in Administration, she removed \$500 from "Conferences and Meetings", she removed \$1,000 from "Miscellaneous"; in Parks, she removed \$400 from "Photographic", \$200 from "City Publications", and \$400 from "Minor Equipment"; this would bring the deficit down to \$290,510.

Mayor Buckley stated that, for the general fund, they still did not know what the insurance would be, but a 10% increase had been budgeted in. Alderman Kauffmann asked when that information should be in, and Ms. Oettle stated that they had hoped to have it that day, but it had not come in, so it would be any time. Mayor Buckley stated that, for the general fund, they took out the amounts listed above, and that she had very carefully considered things such as conferences and meetings, and what was necessary and what was not, although they had tightened down as much as possible.

Alderman Kauffmann asked if the cost/benefit analysis that had been done on Walmart had taken into consideration revenue lost to stores like Dierbergs and Shop N Save when the Walmart first opened. Mr. Greever answered that it was.

Mayor Buckley stated that they had been looking for other sources of revenue, such as the ambulance charges, and Chief Fox presented the information that Mayor Buckley had asked for regarding how much had been written off for not charging residents beyond insurance or Medicare or Medicaid. He stated that in 2014

so far, there had been 56 ambulance calls and a total of \$18,635.66, or approximately \$320 per call that had not been charged. He noted that it did not include Medicare's share. At that rate, for all of 2014, the total would be approximately \$24,800. He noted that a good collection rate on billing is around 80%, so they could really only expect to recover a maximum of \$19,000-\$20,000. He noted that for 50 years Shrewsbury never charged at all, and the only reason they began charging was because of the rule change that said hospitals could not restock ambulances. He stated that the amounts being discussed do not pay for all of the costs of the ambulance. Alderman Travaglini noted that if the City were going to charge \$100 per call, they would be recouping about \$6,000 per year. Chief Fox noted that these numbers do not include pursuing collections for out-of-town patients, and he stated that the Board would need to decide if these amounts of money are worth pursuing.

Alderman Kopff asked if Chief Fox had an estimate of how much it would cost in labor or administrative fees to pursue collections, and Chief Fox answered that they paid the billing company they used a percentage of the amount collected, so they will get 7% of whatever is collected.

Alderwoman Gorman expressed her surprise at such a large number of people not having co-insurance, and Chief Fox clarified that it was 56 people out of the approximately 1,100 calls so far this year that did not have co-insurance. Alderman Travaglini stated that he did not feel like it was worth around \$6,000 to start charging residents, but the question then becomes if it is worth it to go further and attempt to collect the entire \$18,000. Alderman Kauffmann noted that 7% would be taken off that amount. Alderman Travaglini noted that if they were talking about \$20,000, that would only amount to \$1,400.

Mayor Buckley reminded the Board that at the previous meeting, they did not have solid numbers to discuss, and numbers as high as \$100,000 were being thrown around, so the scenario was completely different when the amounts were closer to \$6,000. Chief Fox noted that most of the people included in the amount were Medicare patients, and Medicare takes a large amount off the top, and that amount gets bigger and bigger every year. He also noted that Shrewsbury has a large population that relies on Medicare.

Alderman Travaglini asked how the \$100,000 number had been arrived at during the last meeting, and Mayor Buckley stated that she remembered it coming up, but she did not know how they had come to that. Chief Fox stated that they had never done calculations such as this these, so they had not really known what the numbers would be like. Mayor Buckley stated that she recalled having the same conversation back when she first joined the Board and every year since. Alderman Travaglini noted that they would be having this conversation regardless of any criticism the Board would receive for considering the matter, but that it was an altogether different story when they were discussing \$6,000 than when \$100,000 had been mentioned.

Chief Fox noted that Creve Coeur was a fire district, and fire districts have the ability to pass a property tax for ambulance service, so that tax subsidizes their service, but Shrewsbury is in a different situation with not being a fire district and is not able to do that. He also noted that Creve Coeur has a great deal of industrial area that brings in money specifically for the ambulance. He stated that Pattonville is in the same situation. He stated that Affton charges everyone and takes what insurance pays just like Shrewsbury does.

Mayor Buckley noted that every year, based on the numbers presented, the Board always decides not to charge for ambulance service. Alderman Travaglini noted that it was unfortunate that they were in the position that they were in the position to need to consider it, but that hopefully, once Kenrick Plaza opens up, the additional revenue will make these conversations less necessary.

Mayor Buckley stated that she did not anticipate any further changes to the general fund budget, but she would let the Board know if there were any. She moved on to the capital improvement fund, and noted an increase in revenue because they had not included offsetting revenue for a police grant, and that increase brought the deficit to \$33,557, and that also included removing the body cameras, as well as the items that would be covered by the CTS program.

Mayor Buckley stated that she would like the deficit to be zero, and that she would recommend removing the new vehicle from the Fire Department capital budget, as the current car will serve its purpose for now, and that purchase can wait. She noted that they all had the 5-Year Capital Improvement Plan and could see how that could fit in over the next 5 years. She stated that the removal of the vehicle would bring the deficit down to around \$1,000.

Director Greever asked Ms. Oettle to add \$3,500 for the CDBG, as they would be able to carry over the amount not being used in 2014 to 2015 instead of losing the money, so that nothing is being lost or gained, but it needed to be noted.

Mayor Buckley asked the Board to review the 5-Year Plan and see if they had any questions or concerns about it. She stated that she would like the budget to be completely balanced, but at this point the current deficit and the reserve fund were acceptable.

Alderman Scherer expressed his appreciation for Ms. Oettle and the work she has done. Ms. Oettle stated that Alderman Kopff had asked for a projection of 2016 with the Walmart being fully operational, and she had provided them with some rough estimates of what that might look like. She stated that it included a 2.5% salary increase across the board, two new police officers for the full year, revenue based on the cost/benefit analysis, business licenses estimated revenue, and property tax. Chief Fox asked if she had included information from the 5-Year Plan for the capital side, and she confirmed that she had.

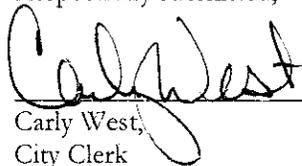
Alderman Kopff stated that his concern had been if they would be able to get closer to a balanced budget, and based on the numbers, that would be easier. Ms. Oettle noted that she had also included a 1% increase in expenses across the board. Alderman Kopff stated that he felt the numbers looked encouraging. Ms. Oettle also noted that the estimate included a 10% increase in insurance. Chief Fox noted that the 5-Year Plan included a new fire truck, and Mayor Buckley stated that they had discussed the idea of including a new fire truck in the CTS project. She asked if the CTS project was included, and Ms. Oettle answered that it was included in the capital improvement budget and she had factored in the cost per year.

Mayor Buckley noted that with the current bond, they were able to move it back and forth between the general fund and capital fund as they found necessary, and asked if they would be able to do that with the CTS project. Mr. Greever stated that he did not know. Ms. Oettle stated that they might be able to structure it that way, and they could ask the financial advisor to work on that issue.

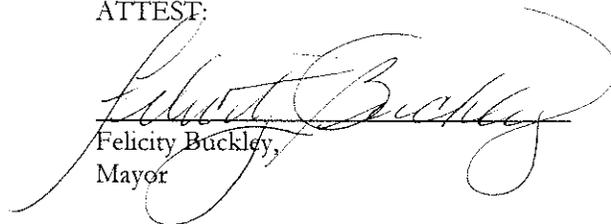
Adjourn

A motion to adjourn was made by Alderman Travaglini, seconded by Alderman Kauffmann and passed unanimously. The meeting adjourned at 7:15 p.m.

Respectfully submitted,


Carly West,
City Clerk

ATTEST:


Felicity Buckley,
Mayor