

**CITY OF SHREWSBURY
BOARD OF ALDERMEN**

**Work Session
February 25th, 2012**

A Board of Aldermen Work Session was held at 9:30 a.m. this 25th day of February, 2012 in the Aldermanic Conference Room of the Shrewsbury City Center.

There were present:

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

There were also present:

Director of Administration Jonathan D. Greever
City Attorney Michael K. Daming
Finance Director Danielle Oettle
Director of Parks..... Chris Buck
Police Chief..... Jeff Keller
Fire Chief Bill Fox

Roll Call

Mayor Buckley opened the meeting and Director Greever commenced with the roll call. A quorum was present.

Hear Citizens

None

Presentation on Health, Life, Dental, and Vision Insurance Renewal

Mayor Buckley stated that the next item on the agenda was the Health, Life, Dental, and Vision Insurance Renewal and asked Mr. Ed Tabash from MRTC to update the Board. Mr. Tabash took the floor and advised the Board that Anthem's quote was withdrawn, due to their inability to be competitive with the City's current rates. He further advised that Coventry's underwriting process was not complete and the earliest they would have a quote from the employee application process would be this upcoming Monday. The Mayor then polled the Board for general consensus that if Coventry's original quote would hold they would be approved for the City's 2012-2013 healthcare policy, otherwise the City's would stay with United Healthcare at the 8% increase. There being no further discussion a provisional motion was made by Alderman Scherer to accept United Healthcare for the City's 2012-2013 healthcare policy unless Coventry's final quote provided the City with the projected financial savings. Alderwoman Wiecher seconded the motion and it was unanimously approved. The Mayor then polled the Board for a general consensus that if Coventry was awarded the 2012-2103 healthcare policy they would also be awarded the City's 2012-2013 life insurance policy. There being no further discussion, a provisional motion was by Alderman Scherer to accept Coventry as the 2012-2013 life insurance policy if they were awarded the 2012-2013 healthcare policy. Alderwoman Wiecher seconded the motion and it was unanimously approved.

Approval of Minutes

Mayor Buckley announced that the next item on the agenda was the approval of minutes of the January 24th, 2012 Board of Aldermen work session. She opened the floor for discussion. There being no discussion a motion was made by Alderwoman Gorman to pass the minutes of January 24th, 2012 as submitted. Alderman Scherer seconded the motion and it was unanimously approved.

Mayor Buckley announced that the next item on the agenda was the approval of minutes of the February 7th, 2012 Board of Aldermen regular meeting. She opened the floor for discussion. There being no discussion a motion was made by Alderman Kauffmann to pass the minutes of February 7th, 2012 as submitted. Alderman Scherer seconded the motion and it was unanimously approved.

Mayor Buckley announced that the next item on the agenda was the approval of minutes of the February 9th, 2012 Plan Commission meeting. She opened the floor for discussion. There being no discussion a motion was made by Alderman Kauffmann to pass the minutes of February 9th, 2012 as submitted. Alderwoman Gorman seconded the motion and it was unanimously approved.

Discussion regarding police vehicle replacement

The Mayor stated that the next item on the agenda was the discussion regarding the replacement of a police vehicle. Police Chief Jeff Keller took the floor and advised the Board that during a recent police call an accident occurred resulting in the City's insurance company totaling the involved police vehicle. Chief Keller further advised that upon an insurance payment of \$9,300.00 for the above-mentioned totaled vehicle, the purchase of a new vehicle at \$20,946.00 would only cost the City \$11,743.00. The Mayor opened the floor for discussion. There being no discussion, Alderman Kauffmann made a motion to approve the purchase of a new vehicle. Alderman Scherer seconded the motion and it was unanimously approved.

Ordinances

(Second Reading and Vote on Bill No. 2661)

Mayor Buckley introduced the second reading and vote on Bill No. 2661 a bill amending Chapter 610: Merchants, Manufacturers', Businesses' and Occupations' Licenses, of Title VI: Businesses and Occupations Code of the City of Shrewsbury, Missouri; by amending the following subsections as presented within this ordinance; providing for the current maintenance of this code; providing for the repeal of all conflicting ordinances; and providing for the effective date of this ordinance. Mayor Buckley opened the Bill for discussion. There being no discussion, a motion was made by Alderman Scherer, seconded by Alderwoman Gorman and unanimously passed, and in accordance with Section 79.130 as approved by the General Assembly of the State of Missouri, to read the Bill by Title only the second and final time. Alderwoman Wiecher made a motion that Bill No. 2661 be adopted to become Ordinance No. 2654. Alderman Scherer seconded the motion and upon roll call, the following vote was recorded. Alderman Kauffmann, "Aye"; "Aye"; Alderwoman Gorman, "Aye"; Alderman Scherer, "Aye"; Alderman Kopff, "Aye"; and Alderwoman Wiecher, "Aye".

There being a majority of votes in favor, the Mayor declared the motion passed and that Bill No. 2661 was adopted as Ordinance No. 2654.

2012 Spring Strategic Planning Session One

The Mayor announced that the next item on the agenda was the 2012 Strategic Planning Session. The Mayor advised the Board that the purpose of this planning session was to give them an opportunity to review the various options available to the City for addressing the budget deficit. She further advised that the emphasis of this meeting would be directed to possible tax increases. The Mayor also stated that with this planning session the Board would be asked if it was time for the City to balance its budget, and if not, what would be an acceptable deficit as well as how many years the Board would be willing to go without a balanced budget. The Mayor then asked Finance Director Danielle Oettle to take the floor and provide a budget history of the City.

Finance Director Danielle Oettle began by stating that she had provided the Board with a General Fund revenue and expenditure summary dating back to 1991. She further stated that this summary would illustrate that the City on specific years would have reflected a deficit or even higher deficit if they had not been in receipt of one time payments from legal settlements for taxes involving Verizon, Sprint, and AT&T as well as a collection of Fire Sales Taxes. Finance Director Oettle also noted that deficits trending after 1999 were in part due to the closure of Grandpa Pigeons, and more specifically in 2003 due to a grocery strike.

Mayor Buckley then added that she once again wanted to remind the Board that Shrewsbury was a point of sales city which relied heavily on retail sales tax. She further reminded the Board that any budget fixes, which excluded increased sales tax revenues, would most likely result in a short term fix. Mayor Buckley also wanted to note for the record, that in 2009 a tax transfer increased the general fund revenue by approximately \$115,000 while providing the residents with a slight decrease of 2.8 cents per \$100 of assessed value. She further noted that as a result of this tax transfer, the overall property tax rate decreased to \$0.914 (the lowest property tax rate set since 1992, excluding 1997 when the Board set no General Fund rate). Mayor Buckley additionally wanted to note that City wide budgeted salaries for fiscal year 2012 were down by \$133,256 compared to the fiscal year of 2011, and that employee raises or cost of living increases have not been given in two years. Mayor Buckley ended by reminding the Board that the 2008 Lease Share Holders Bond would mature in 2018 and would impact the General Fund with an increase of approximately \$200,000.

Mayor Buckley then announced that the next portion of the planning session was the discussion of revenue options. She began with stating that even though the City would continue to seek increased revenue through means such as business licenses, increased rentals, grants, the most likely significant source of revenue available would be a tax increase of some nature. However, keeping this in mind, the Mayor again emphasized that there was not one clear simple solution to the deficit, since there were other variables that remained in flux. The Mayor went on to state that one of those variables was the unknown state of the Kenrick Plaza Redevelopment Project, which, if developed, would have a significant impact on the City's budget. The Mayor went on to suggest that the best way to address the above mentioned variable would be a tax increase with a sunset provision. She went on to explain to the Board that this provision would give the City time to evaluate the probability of a redevelopment, while at the same time offer some relief to the deficit. She further added that if the option to cut services (such as pool, police, fire, or streets) were decided rather than increase taxes, it should be understood that these service cuts would most likely not be reinstated in the future. Mayor Buckley next asked Finance Director Oettle to take the floor to provide the different revenue options relating to the increase of taxes.

Finance Director Oettle took the floor and reviewed the City's current tax rate and how the proposed property tax increase under this tax rate would impact residents. In this review, she specifically stated that a \$0.23 increase in the Property Tax Rate would yield a tax rate of \$1.189/\$100 assessed value and result in approximately \$1,369,930 anticipated revenue, or a \$260,000 increase in property tax revenue.

Alderman Ed Kopff took the floor and expressed that even if this above-mentioned scenario were to be approved by the resident, this would still not be enough.

Mayor Buckley agreed that this initiative alone would not be enough to address the budgeted 2012 deficit, since it did not include the employee raises or cost of living increases that had been taken out for the last two years. She then went on to ask Finance Director Oettle what amount could be generated if the property tax rate increase was higher.

Finance Director Oettle answered that if the proposed property tax rate were to increase to \$0.30 or \$0.35 the anticipated revenue would be \$350,000 or \$400,000, respectively.

Alderman Kopff asked how long the City was proposing this sunset provision be in place if passed by the residents.

Mayor Buckley stated that the City was proposing a time of six years to allow for the 2008 Lease Share Holder Bond to mature in 2018, as well as give the City an opportunity to further develop its commercial corridors.

Note to the minutes: Alderman Michael Travaglini arrived at the meeting.

Mayor Buckley stated that the next item to discuss was a utility tax increase. The Mayor went on to explain that the City currently levied a 7.25% gross receipts tax on utilities doing business in the City. She further explained that if the City were to increase the gross receipts tax to 8.0% on all utilities, the City would recognize an increase in revenue of approximately \$100,000. The Mayor also confirmed that if the Board were to pursue this course of direction that it would require a vote from the residents.

Alderwoman Wiecher then took the floor and announced that she would like to utilize this forum to comment on several resident suggestions she had received from her ward on how the City could raise further revenue. Alderwoman Wiecher went on to state that these suggestions included contacting the Archdiocese to expand the Lady of Life facilities, pursue economic development possibilities via networking, explore the possibility of building a hotel to facilitate Webster University visitors, rebuild the existing Kenrick Theater into a banquet facility, as well as outsourcing police and fire services. Alderwoman Wiecher also wanted to advise the Board that residents strongly expressed that the Kenrick Plaza area must become more appealing to attract any potential businesses. Alderwoman Wiecher, in closing, wanted to personally suggest that the City should explore merging the City's current police and fire departments into a public safety department model.

Mayor Buckley took the floor and stated that she wanted to also address the possibility of turning off street lights which would realize a cost savings of \$100,000.

Fire Chief Bill Fox expressed that the City should also renegotiate its pilot program with the Archdiocese, since in the past years there had been significant expansion.

Finance Director Oettle also took the floor and stated that Judge Bumb suggested that the City initiate an in-house Defensive Training class.

Mayor Buckley wrapped up the first half of this strategic session by stating that the next budget workshop scheduled for Saturday, April 14th, would need to be rescheduled. She also advised the Board that the goal for the afternoon session would be to poll each alderperson on the course of action they wished the City to pursue in addressing the deficit. The Mayor stated that early next week she would talk with the Webster Groves/Shrewsbury/Rockhill Chamber of Commerce the possibility of organizing a continental breakfast for the City and its businesses.

Note to the minutes: Board breaks for lunch.

Note to the minutes: Second half of session resumes at 1:03 p.m.

Mayor Buckley announced that the first item for the afternoon session was the discussion of each Alderperson's view on what course of action, as outlined before, should the City pursue in order to address the deficit.

Alderman Kauffmann took the floor and stated that before he stated his perspective, he wanted the City to hold a Town Hall meeting. He also stated that he wanted to know if the school districts would also be levying a tax increase on the ballot.

Mayor Buckley suggested to Alderman Kauffmann that it was the Board's responsibility before the City conducts a town hall meeting to gather information and have a proposal ready for presentation. The Mayor also advised Alderman Kauffmann that the City's decision to base a tax increase cannot be based on whether the school district does or does not have the same intention.

Alderman Kauffmann then stated that he did not believe that the City was at a critical point in having to make any of the above mentioned courses of actions.

Alderman Kopff took the floor and stated that he was in favor of a proposed property tax increase to a level that would only deplete the reserves by 3% and have no service cuts. He further stated that he was in favor of having a scheduled town hall meeting in April with set proposals to educate residents, but would also favor a utility tax rate increase if residents at the meeting opposed the property tax increase.

Alderman Travaglini took the floor and stated that he was not in favor of property tax rate increase for at least a few years, but was in favor of a utility tax with some service cuts. Alderman Travaglini was also in favor of having a scheduled town hall meeting with set proposals to educate the residents.

Alderwoman Gorman took the floor and stated that she was in favor of property tax with a sunset provision. She further stated that she was in favor of a utility tax rate increase if at a scheduled town hall meeting, everyone opposed a property tax rate increase option.

Alderwoman Wiecher took the floor and stated that she opposed the property tax rate increase but was in favor of service cuts. She further stated that she was in favor of a scheduled town hall meeting with set proposals to educate the residents.

Alderman Scherer took the floor and stated that he was not in favor of service cuts, but was in favor of stairs-stepping the increase of taxes with utility first and property second.

Mayor Buckley ended the strategic session by stating that the second strategic session was scheduled for March 27th, at 5:00 p.m.

Old Business

Mayor Buckley stated that a sample ordinance for chickens would be provided in the Board of Aldermen work session on March 13th at 6:00 p.m. for the regular meeting at 7:00 p.m.

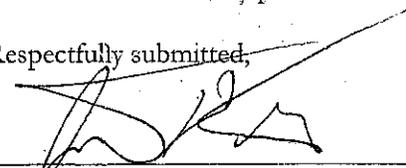
New Business

Mayor Buckley stated that some improvements had been made at the Public Safety Building with three individuals volunteering their time and service. She went on to state that these individuals were Steve Jakubiak, who had built a brick pillar, Rick Steingrubby, who had designed the new landscaping, and Greg Meyer, who would make the new sign.

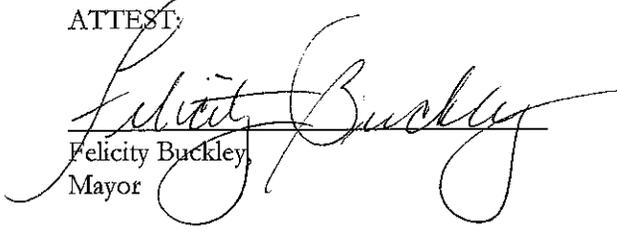
Adjournment:

Alderman Travaglini made a motion to adjourn the work session. Alderman Sam Scherer seconded the motion and it was unanimously passed. The work session adjourned at 1:53 p.m.

Respectfully submitted,


Jonathan D. Greever,
Director of Administration/City Clerk

ATTEST:


Felicity Buckley,
Mayor