CITY OF SHREWSBURY
BOARD OF ALDERMEN
WORK SESSION
August 23rd, 2011

A Board of Aldermen Work Session was held at 6:00 p.m. this 23rd day of August, 2011 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
Street Superintendent ..... Tony Wagner

Roll Call

Mayor Buckley opened the meeting and Director Greever commenced with the roll call. The entire Board of Aldermen was present.

Hear Citizens

Ms. Barb Jacobs of 7409 Kenrick Pointe Drive stated that as a board member of the Meadows of Kenrick she was at that evening's meeting to receive an update to the subdivision's February 2011 inquiry, which asked the City to provide street maintenance beginning in 2012. She also stated to the Board that the subdivision had completed the inspection that the City had requested with their initial inquiry. Ms. Jacobs then asked the Board when the City would have a definitive decision on the subdivision's request, since they are trying to finalize a 2012 budget.

Mayor Buckley answered that she had received the subdivision's letter advising the City that the required inspection had been completed. She went on to advise that this item would be discussed during this evening's six month budget review process. The Mayor further stated that a more definitive answer would not be available until December of this year, when the 2012 budget had been completed and approved by the Board.

Ms. Dodi Barnes of 7417 of Meadow Valley Lane stated that as a board member of the above mentioned subdivision she wanted to insure that when this request was discussed in the City's 2012 budget planning process, that the City had an understanding that this three street area was only two tenths of a mile. She further asked that if the City later determined that full street maintenance could not be approved for the 2012

budget, would the City at least consider the feasibility of partial street maintenance in removing snow and applying salt treatments for ice.

Mayor Buckley then stated that the City's Public Works Department would consider all the above-mentioned details when providing projected costs during the City's 2012 budget planning. She further said that the subdivision board would receive a formal decision from the City advising the outcome of their request.

Approval of Minutes

Mayor Buckley announced that the next item on the agenda was the approval of minutes of the July 6th, 2011 Board of Aldermen work session. She opened the floor for discussion. There being no discussion a motion was made by Alderwoman Wiecher to pass the minutes of July 6th, 2011 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 July 26th, 2011 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 July 26th, 2011 as submitted. Alderman Travaglini seconded the motion and it was unanimously approved.

Bid Proposal – Fall Festival Fireworks

Mayor Buckley stated that the next item on the agenda was the bid proposals for the Fall Festival fireworks and asked Parks Director Chris Buck to provide an update to the Board. Parks Director Buck advised the Board that the City had received two bids from J & M Displays and Gateway Fireworks. He further advised that both of these companies had provided displays in the past for the City, and that the only difference in this year's bid between the two companies was that J & M Display would provide more shots and a longer show. Parks Director Buck then recommended based on the above-mentioned information that the City accept the fireworks bid from J & M Displays.

Alderman Kauffmann asked for clarification that the bid amount submitted by both companies was actually $4,500.00, since the documentation attached to the bids reflected an amount of $4,998.85.

Parks Director Buck advised the Board that the $4,998.85 amount referenced the actual value of the bid display.

There being no further discussion Alderman Kauffmann made a motion to accept the Fall Festival fireworks bid from J & M Display. Alderman Scherer seconded the motion, and it was unanimously approved.

Mayor Buckley advised the Board that the monies needed for the approved fireworks bid was completely funded through public donation.

Bill No. 2637: CDBG Cooperative Agreement Modification

Mayor Buckley introduced Bill No. 2637 an ordinance authorizing the Mayor of the City of Shrewsbury, Missouri, to execute the municipal housing and community development cooperation agreement of 2012-2014; and supplemental agreements thereto with St. Louis County with regard to the housing and community development act of 1974 as amended. Mayor Buckley asked Director Greever to take the floor and provide the Board information as to why the City was modifying the CDBG Cooperative Agreement of 2012-2014. Director Greever advised the Board that HUD, during a recent review of the current CDBG Cooperative Agreement between St. Louis County and the participating municipalities, had identified two additional elements that needed to be included in these agreements. He went on to state that the first change incorporated language for the Emergency Shelter Grant program and the second change required additional

language stating that the municipality understood that this agreement causes the municipality to be included in a formula based allocation only through the urban county. Director Greever ended by stating that the execution of the modified agreement must be completed by both St. Louis County and the City of Shrewsbury by August 25th, in order for the City to continue to remain in this agreement and receive the benefits of the CDBG funds. Upon no further discussion, a motion made by Alderman Scherer, seconded by Alderman Kopff and unanimously passed in accordance with Section 79.130 as approved by the General Assembly of the State of Missouri, the Bill was read by Title only the first time. Mayor Buckley opened the Bill for discussion. There being no discussion, a motion was made by Alderman Scherer, seconded by Alderman Kopff, and passed with a unanimous approval, and in accordance with Section 79.130 as approved by the General Assembly of the State of Missouri, the Bill was read by Title only the second and final time. Alderwoman Wiecher made a motion that Bill No. 2637 be adopted to become Ordinance No. 2631. Alderman Scherer seconded the motion and upon roll call, the following vote was recorded: Alderman Kauffmann, "Aye"; Alderman Travaglini, "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. 2637 was adopted as Ordinance No. 2631.

Bill No. 2638: St. Vincent Speed Limit Modification

Mayor Buckley introduced Bill No. 2638 an ordinance amending Schedule XII of Title III: Traffic Code of the City of Shrewsbury, Missouri Code by deleting said current Schedule XII and replacing it with a new Schedule XII of Title III: Traffic Code relating to speed limits; 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 advised that during a bill approval process to increase the load restriction on St. Vincent Avenue the City's Police Department had determined that the speed limit on St. Vincent Avenue had inconsistencies that needed modification. Upon no further discussion, a motion made by Alderman Kopff, seconded by Alderman Travaglini and unanimously passed in accordance with Section 79.130 as approved by the General Assembly of the State of Missouri, the Bill was read by title only the first time. Mayor Buckley then advised that since this is not a time sensitive ordinance a second reading of this Bill would be done at the next Board of Aldermen work session in September.

Six Month Financial Review

Mayor Buckley stated that the next item on the agenda was the City's sixth month financial review. She then asked Finance Director Danielle Oettle to take the floor and provide the Board with a quick overview of the City's June 2011 financial statement.

Finance Director Oettle stated to the Board that they should have received the June 2011 financial statement. She further stated that she had additionally prepared for this evening's meeting a financial summary that provided an overall picture of the City's financial condition to date as well as a comparison to last year's financial situation for the same time period. Finance Director Oettle then advised the Board that expenditures for the City were in line with the budget except for fuel costs, which had increased significantly in all departments. She further advised that expenditures and revenues were monitored on a monthly basis, particularly the City Sales Tax revenue since it was the City's biggest revenue source and one that had been declining over the past few years. Director Oettle also advised that even though the City Sales Tax revenue showed a slight increase of 1% in June, it continued to fluctuate by the end of the first seven months with a 4% decrease. She then stated that she had also included in the summary a chart illustrating that the City's ending fund balances on all funds, which had continued to decline since 2007. Director Oettle went on to advise that a 33% reserve was usually a good minimum to strive for and that the City was currently around that number. Director Oettle ended by stating that the items to consider during the 2012 budget planning were health insurance costs, fuel costs, and revenues.

Mayor Buckley advised that the next item on the agenda was the individual Department Head's six month budget summary and asked Street Superintendent Tony Wagner to take the floor.

Street Superintendent Tony Wagner stated that the Public Works Departmental budget was trending well due to close monitoring of expenditures and conserving other budgeted monies to handle unanticipated costs. He went on to state that in respect to the department's gas & oil expenditures he had anticipated during last year's budget planning that fuel may increase, but not to the extent that they had increased thus far in 2011. He also advised that with respect to vehicle repairs he had to service the Peterbilt, one of the Public Works Department's largest pieces of equipment. Street Superintendent Wagner also advised that the Public Works Department had a few expenditures in the miscellaneous account which included a purchase of sand to mix in with the salt that was used to treat the City's streets, another purchase for lumber and concrete to repair a city owned fence at Laurella, and a third purchase for 100 foot of four inch pipe to reinforce trees in the City's parks. Street Superintendent Wagner ended by advising the Board that even though there were funds allocated in the Public Works Department for repairs on the path that outlined Wehner Park, he opted to only do minimal patchwork repairs in order to cover any emergency street repair work that would fall outside the perimeters established within the CDBG grant.

Police Chief Jeff Keller began by stating that the Police Department presently had eight accounts that were trending over budget. He further stated that the Police Department's budget did not have any built in reserves for any unanticipated costs. Chief Keller then went on to advise that one of these eight accounts was the clothing & uniform account which was expected to be over budget by approximately $5,000.00, due to the unanticipated resignation of two officers. Chief Keller further advised that in recent years due to budget constraints, the police department was instructed not to include potential replacement costs within the budget. Chief Keller next stated that the second account trending over budget was the miscellaneous account, which was expected to be over budget by $469.75 due to placing advertisement for the unanticipated departure of two employees. He also stated that the miscellaneous account was typically budgeted to cover one hiring process which would include the above-mentioned advertisement costs, but again was instructed not to include in the budget. Chief Keller next advised that the third account trending over budget was gas & oil which, if continued, the Police Department anticipated being over budget by approximately $11,017.98. He also advised that the fourth account trending over budget was the tires and repairs account at approximately $289.71. Chief Keller then stated that another big item trending over budget by the end of the year was car repairs at approximately $7,149.78. He further stated that this overage was due to postponing the replacement of three patrol vehicles that, with expired warranties, had to be serviced for a transmission cooler, blower motors, steering column, and pump. Chief Keller also said that a part of this trending over budget for car repairs was due to the Police Department having three vehicle accidents, which required a $1,000 deductible on two of the accidents and an $850.00 repair cost on the third accident. He also advised that another component adding to this over-budgeted amount for car repairs was the City's Police Department having a shared ownership with the Webster Groves and Olivette Police Departments on a prisoner conveyance van, which resulted in a 20% share for repairs that totaled $200.00. Chief Keller next stated that the sixth account trending over budget was radio repairs that would be at approximately $217.14 by end of year. He then said that the seventh account that would be over budget by end of year was medical and psychological testing at $541.00, due to the hiring of two new officers as well as conducting the written exams during the promotional process. Chief Keller then stated that the last of the operating accounts trending over budget was the ECDC dispatching fees which would be approximately $5,019.97 over budget by end of year. Chief Keller went on to explain that this overage was due to the ECDC fiscal year beginning in July and only providing an estimate of ECDC costs to the City's Police Department for two of the four fiscal quarters. He went on to explain that since that time updated cost figures have been provided which showed that the ECDC budget significantly increased as well as the City's own increase in calls for service. Chief Keller also advised the Board that he wanted to touch on a few items outside operating costs, one being utilities, which if the current trend continued, the police department would be over budget by approximately $1,500.00 by the end of the year. He further advised that even though the department's utility usage was

about the same as last year, the increase would still result due to Ameren's "Rider FAC Adjustment". Chief Keller also stated that this rider was a fuel adjustment charge clause used by Ameren to recover the cost of energy to produce electricity, by permitting an increase up to "four times" the amount of fuel cost required to produce their electricity. Chief Keller ended with saying that the account for other equipment was also expected to be over budget by approximately $1,600 by end of year, due to purchasing the required body armor for the two new officers.

Fire Chief Bill Fox stated to the Board that he took a different approach in preparing for this six month budget review ending on June 30th, by highlighting any line item that varied by more than 3 percentage points from the 50% expenditure average expected at the halfway point of the fiscal year. He began by stating that the overtime account was at 23% due to the budgeted amount being based on the Fire Department's last three years of performance. He further stated that as a result of the Fire Department adopting the City's accrual policy on vacation and sick leave to actual hours worked, the result was a dramatic decrease in the usage of overtime. Chief Fox next stated that the Fire Department's clothing account allowance was at 6% only due to a timing factor since summer uniforms were billed at a later time. He also stated that when the Fire Department purchased winter uniforms for 4 newer employees that amount by year end would meet the budgeted amount. Chief Fox then advised that the workers compensation account was at 33% due to everyone within the Fire Department being more safety conscious. He then advised that the cellular phone/pager account was at 39% due to the Fire Department keeping cellular usage in check as well as requesting the Fire Academy to pay for the Fire Chief's usage. Chief Fox then stated that the Fire Department's dues and subscriptions account was at 85% due to those fees being paid in full during the months of January and February. He also went on to explain that the printing and postage accounts were at 0% and 21% respectively, due to those purchases not happening till the end of the year. Chief Fox then stated that office supplies were at 37% due to the Fire Department's diligence in price shopping and keeping a smaller inventory. He also stated that the gas and oil account was at 76% mid year due to the extreme volatility of gas and diesel. Chief Fox also advised that the tire repair account was at 58% due to a purchase of two front tires for the front-line pumper. He further advised that even though repairs were only at 33%, that percentage would increase to 100% due to anticipated repairs to the reserve ambulance and pumper. Chief Fox next stated that the facility maintenance account was at 106% due to emergency repairs to the large overhead door as well as some plumbing repairs which were unanticipated. He also stated that the janitor supplies account was at 70% again due to the timing of the purchase that would later meet the end of year budgeted amount. Chief Fox also said that he anticipated that the ambulance supply account, which was at 59% at midyear, would go over slightly by end of year. He also advised that the Gateway ambulance service was at 43% midyear which is based on collections of ambulance billing. He further advised the Board that the collections of these bills had become more difficult, due to some recipients of these ambulance services no longer having insurance coverage with the recent economic crisis. Chief Fox ended by stating that the Fire Department had only spent $5,910.00 or 61% of the $9,680.00 budgeted in Capital Expenses.

Administration Director Jonathan Greever stated that the Administration Department's significant savings trend at midyear of 34% against the projected 49% for end of year was attributed to an unanticipated decrease in wages and salaries, mostly due to position changes and reductions. Director Greever then stated with respect to expenditures, phones was trending a little high due to rate increases. He further advised that expenditures relating to meetings and conferences would likely not increase throughout the remainder of the year. Director Greever also stated that expenditures for audit fees were at 100% due to the process being completed for the year, whereas other consulting fees were anticipated to increase.

Director Greever stated that with respect to revenues, the City had collected 94% of its projected vending licenses, with the variance being attributed to several corrections made in the system such as double payment on machines in previous years and cessation of payments for machines outside of the City limits. He also stated that liquor licensing had fallen $800 short due to the closure of the Sands and Mango Restaurants. He then advised that building permit fee receipts were trending higher at $8,100.00 than they were at the same time last year at $5,600. However, Director Greever further stated that this amount was still lower than

projections because, when budgeting for this account last year, the City hedged against anticipation of receiving large permit applications. He further advised that the City currently had a building permit application pending totaling $145,000.00, and which alone represented over a 700% increase over current budget projections for that line item. Director Greever went on to state that the City also anticipated that this project would require sizable applications for mechanical and plumbing licenses. He then stated that both mechanical and plumbing permit application receivables were 12% over budget projections. Director Greever further advised that while occupancy permits were 3 percentage points lower than projections at the June 30 mark, at the July 31 mark, the variance closed to 1.8 percentage points, which was largely attributable to increased occupancy activity during the summer months. He went on to advise that a similar trend in August would insure that receipts outpace budgeted projections in that line item. Director Greever then stated that housing inspection fees were currently lagging behind budget by nearly 7% as of July 31 due to the stagnation in the housing sector. He also advised that current business licenses as had garnered receipts totaling $145,000, which was up nearly $90,000 from the last financial statement at the end of June. Director Greever then stated that while this was encouraging, that number significantly lagged behind the budget of $205,000 and last year's receipts of $180,000. He went on to state that the City still had 26 non-compliant businesses that were currently undergoing application resolution, as well as experiencing 17 business closings or relocations in the past year

Parks and Recreation Director Chris Buck took the floor and stated that the Parks Department for the most part was trending on budget except for a few unanticipated expenditures. He went on to state that these unanticipated items included the higher cost of fuel that services all the Parks Department vehicles and equipment, the printing of pool registration forms that were depleted with the increase in pool passes, and the unanticipated and required reprogramming of the alarm system. Parks Director Buck also advised that line items for pool management, conference meetings, and publications may appear over budget but due to the seasonality of these line items, the percentages would be on target by end of year. He next stated that with respect to the line items for fitness and canine instructors, the Park Department underestimated the budgeted amount due to not having a full year historical perspective of how desirable these new programs would be received by residents. Parks Director Buck further stated that the good news was that revenues for these two programs as of the end of June were trending higher than expenses with fitness instruction at approximately $1,900 and the canine instruction at $3,300. He also advised that pre-school instruction was over budget due to an increase in enrollment that required increasing staff.

Mayor Buckley then asked Director Greever to report on account 190. Director Greever stated that account 190 was trending overall at 51% against 49% due to a slight increase in actual verses projection on liability insurance. He went on state that other items included in the above-mentioned increase were the dues and subscription accounts which are seasonally based and the unanticipated bill from the City's computer maintenance servicer for past services that were not previously billed.

Mayor Buckley then stated that the next item on the agenda after completing the six month budget review was a discussion with the Board of Aldermen on their view of the City continuing to operate with a deficit of $180,000 for the upcoming 2012 budget. Upon further discussion, the general consensus of the Board was that the City should move forward with the budget deficit since there would not be a definitive answer with respect to the Kenrick Plaza Redevelopment as of yet. The Board further stated that the City needed to continue in being proactive to find additional revenue sources outside of the potential revenue source of the Kenrick Plaza Redevelopment.

Old Business

None

New Business

Alderwoman Wiecher asked for permission to put up a sign at a site within her ward whenever there is a scheduled Board of Aldermen meeting. She went on to say that she was requesting this authorization due to some of her constituents not having internet access to receive the city wide email notification.

Mayor Buckley and the Board advised Alderwoman Wiecher that she had their approval.

Closed Session

Alderman Kauffmann made a motion to enter into a closed session following the Board of Aldermen work session meeting. Such closed meeting, he continued, with closed vote and closed record would take place in the aldermanic conference room and said meeting, vote, and records would be closed pursuant to RSMo 610.021 (1, 3, 12). Alderman Travaglini seconded the motion and the following roll call vote was recorded. Alderman Kauffmann, "Aye"; Alderman Travaglini, "Aye"; Alderwoman Gorman, "Aye"; Alderman Scherer, "Aye"; Alderman Kopff, "Aye"; Alderwoman Wiecher, "Aye".

There being a majority of votes in favor, the Mayor declared the motion passed and that the board would enter into a closed session.

Adjournment:

Alderman Travaglini made a motion to adjourn the work session. Alderwoman Gorman seconded the motion and it was unanimously passed. The work session adjourned at 7:47 p.m.

Respectfully submitted,

Jonathan D. Greever,
Director of Administration/City Clerk

ATTEST:

Felicity Buckley,
Mayor