

**CITY OF HAZELWOOD
SPECIAL COUNCIL MEETING
DECEMBER 11, 2013**

CALL TO ORDER

A special meeting of the Hazelwood City Council was called to order by Mayor Matthew G. Robinson at 6:00 p.m. on Wednesday, December 11, 2013, in the Council Chambers at Hazelwood City Hall.

On roll call the following members of the Council were present:

Warren H. Taylor
Rosalie Hendon
Mary G. Singleton
Carol A. Stroker
Robert M. Aubuchon
Don W. Ryan
Michael J. Conley
Matthew G. Robinson
Russell Todd

Mrs. Wolf declared a quorum was present.

Also present were City Clerk Colleen Wolf and City Manager Matt Zimmerman.

SPECIAL ORDER OF BUSINESS

ORDER OF AGENDA There were no objections and the agenda was adopted as printed.

REVENUE GENERATION Mayor Robinson stated staff and Council will consider
EXPENSE REDUCTION ideas for revenue generation and expense reduction in order to avoid further decreases to the City's reserve.

Mr. Zimmerman had provided the Council with a graph of revenue and expenditure trends from 2007 to 2014 and a summary of financial facts.

Finance Director Lori Helle reviewed the data stating in 2012 revenue and expenditures were equal. Since that time, expenditures have exceeded revenues. Personnel costs are 65 percent of the budget and are a primary factor in increased expenditures. The increase in health and pension costs played a significant role in increased personnel costs. Fire district costs also increased from \$3.2 million in 2007 to \$4.1 million in 2013. Operational expenses, such as utilities and commodities, increased \$200,000 over the same period.

Mr. Zimmerman noted cities across America, unless they have new malls or industries, are seeking economic development in order to avoid cutting services or increasing taxes. Every fiscal year, until last fiscal year, our City expenses have been under budget. Unfortunately, from 2012 forward the trend of expenditures exceeding revenues is continuing. The City ended fiscal year 2013 with a 21 percent reserve which is well within the City's policy of maintaining a minimum 17 percent reserve. Four months into the current fiscal year, we are trending \$200,000 better than budget. If the fiscal year ends according to budget, the reserve will be 18.58 percent. The City will most likely fall below the 17 percent threshold in fiscal year 2015 if the existing trend continues.

In response to Mr. Todd's inquiry, Mr. Zimmerman stated personnel costs are typically 65 to 70 percent of budget. He added a city's most expensive cost is their most valuable commodity.

Mr. Zimmerman asked the Council if they wished to focus only on revenues, only on expenditures, or on both and whether they want to concentrate on expenses by type or by department.

Mr. Aubuchon commented assessed valuation has been decreasing which has had a major impact on revenues.

Mr. Zimmerman added personal property taxes and sales taxes have decreased as well.

Mr. Conley commented the 28 percent increase in fire district expenditures has had a considerable adverse effect on the City.

Mr. Aubuchon stated the fire districts are suffering from reduced tax revenues due to lower assessments as well and we can't afford for them to seek another tax increase. He suggested meeting with Robertson Fire Protection District's new chief to discuss ways to reduce costs.

Mr. Zimmerman stated staff would arrange a meeting which would include Council members.

Mayor Robinson asked Mr. Zimmerman and Ms. Helle to provide revenue generating options for Council consideration within the next few months.

Mrs. Singleton asked if a hotel/motel tax or some similar tax which is not paid specifically by Hazelwood residents is an option.

Mr. Zimmerman responded the voters approved a five percent hotel/motel tax and we're currently at four percent. He stated an increase to five percent could be considered.

Ms. Helle emphasized the hotel/motel tax can only be used for promoting tourism.

Mr. Conley requested a performance report on the City's pension fund.

Mr. Zimmerman stated, according to the audit, the City has made contributions to the pension fund beyond what is required and this issue will be investigated.

Mr. Todd suggested considering a residential utility tax.

Economic development was discussed. Mr. Aubuchon noted when new businesses locate within fire district boundaries the City's fire district service fees increase. He stated during meetings with the Robertson Fire Protection District the possibility of having new businesses in Park 370 pay the district directly was discussed.

Mrs. Stroker asked about revenues from TIF retirement in the St. Louis Outlet Mall area.

Mayor Robinson stated those revenues are in the pooled tax area.

Assistant City Manager Bob Frank added once the TIF is retired the City's payment to the Robertson Fire Protection District accelerates.

Mr. Zimmerman asked if the Council wanted staff to focus on revenue generation rather than expense reduction.

Mr. Aubuchon stated there are things the Council feels could be cut and some that shouldn't be cut. He stated he believes the Council doesn't want to cut the leaf and limb collection program due to repercussions from the residents when it was cut in the past.

Mrs. Singleton stated it would be helpful to know how much would be saved if such programs were cut.

Ms. Helle stated the cost of labor and fuel for the leaf and limb collection program is over \$100,000. This does not include the cost of equipment or equipment repairs.

After discussion, the Council agreed any cuts would be implemented next budget year.

Mayor Robinson stated the budget is lean because many cuts have been made over the past few years and he preferred to focus on revenue generation. He suggested making it policy to meet mid-fiscal year to receive a full report on the budget from staff and to discuss the budget status. He also suggested staff provide the Council with quarterly financial reports. There were no objections.

Mr. Zimmerman stated staff is working on a residential rental property registration and inspection fee proposal and can provide a report at the February work session.

Increasing occupancy permit fees and assessing fees that are charged by other municipalities and not by Hazelwood were discussed. Mr. Zimmerman asked if the

Council wished to move forward with consideration of an increase to occupancy permit and inspection fees. He stated the increase would require an ordinance.

Mr. Stewart reported the City currently charges \$35 for the first residential occupancy inspection and \$50 for each additional inspection and \$25 for a residential occupancy permit. The proposal is to increase the fee for the first and any subsequent inspections to \$50 and the permit fee to \$30. The combined \$80 residential fee total would place the City mid-range of the nine targeted cities. For commercial, the City currently charges \$35 for the first inspection and \$50 for each additional inspection and \$35 for a permit. The proposal is to charge a \$100 fee across the board for buildings less than 50,000 square feet. Fees for buildings 50,000 square feet and more would be calculated using a \$.003 per square foot multiplier. For example, the inspection/occupancy fee for a 200,000 square foot building would be \$600. Mr. Stewart stated most cities have a flat fee and four cities use a multiplier. The proposal would increase annual commercial occupancy permit/inspection fee revenues by approximately \$5,000 and residential by approximately \$35,000.

Mayor Robinson stated the fee increase will help cover costs. He suggested the legislation be prepared for Council consideration. There were no objections.

Mr. Zimmerman stated a presentation will be prepared for the January 15 agenda.

USE OF CITY OF FLORISSANT GOLF COURSE	Mayor Robinson stated the City of Florissant has proposed allowing residents of area municipalities including Hazelwood to use their golf course at a reduced fee with a cost to each city.
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Mayor Robinson stated he doesn't believe the offer should be declined. He suggested he respond that any expense increases in the current City budget would not be favorable and the offer could be considered in the future. There were no objections.

RADIOACTIVE WASTE CLEANUP	Due to recent attention to radioactive waste in the Westlake Landfill, Mayor Robinson distributed information on cleanup of radioactive waste in the area.
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Public Works Director David Stewart stated he spoke with the Corps representative today relative to concerns with restrictions on developable property in Hazelwood. The former Ford site is unrestricted. There is contamination on the ball field property owned by the airport property. However, that property is undevelopable. Testing continues along Byassee Drive and along Coldwater Creek.

In response to inquiries about Hazelwood Logistics Center, Mr. Frank stated the developer and the City are in the process of working with the Department of Natural Resources and other entities responsible for cleanup of the site. Since the matter is in litigation, Mr. Zimmerman stated Mr. O'Keefe can provide an update in an upcoming closed session.

Mayor Robinson stated Representative Margo McNeil contacted him and asked for support in having radioactive waste removed from the Westlake Landfill. He suggested the City Clerk draft a resolution for Council consideration at the next regular meeting. The dangers of contamination caused by moving the waste versus the danger of ground water contamination if the waste is not moved were discussed. The Council agreed it's necessary to obtain expert information prior to considering a resolution.

DISCUSSION WITH CITY MANAGER A discussion with the City Manager was not held.

ADJOURNMENT The meeting was adjourned at 7:12 p.m.

Matthew G. Robinson - Mayor
City of Hazelwood, Missouri

ATTEST:

Colleen Wolf, MMC - City Clerk
City of Hazelwood, Missouri