

**CITY OF HAZELWOOD
SPECIAL COUNCIL MEETING
OCTOBER 8, 2014**

CALL TO ORDER

A special Council meeting was called to order by Mayor Matthew G. Robinson at 6:00 p.m. on Wednesday, October 8, 2014, in the Council Chambers at Hazelwood City Hall.

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

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

Councilwoman Mary G. Singleton was not present. Mrs. Wolf declared a quorum was present. Also present were City Clerk Colleen Wolf and City Manager Matt Zimmerman.

*Mr. Todd left the meeting at 7:30 p.m.

AGENDA

Mr. Taylor moved, seconded by Mrs. Stroker, the adoption of the agenda as printed. The motion passed unanimously.

SPECIAL ORDER OF BUSINESS

**CENTURYLINK
SETTLEMENT**

Mr. Aubuchon moved, seconded by Mr. Taylor, to authorize the settlement agreement with CenturyLink Landline to recover unpaid business license taxes and to assign a percentage of the settlement to the St. Louis County Municipal League. The motion passed unanimously and the bill was added to the agenda as item 5.a.

**AMEND SOLID WASTE
CONTRACT**

Public Works Director David Stewart stated, due to the elimination of the leaf and limb collection program, staff has been working with Allied Services, LLC (Allied) on yard waste collection alternatives.

Allied offers yard waste collection under the current contract at the rate of \$8.21 per month for a minimum three month period with an eight bags per week limit. The solid waste collection and recycling rate is currently \$16.02 per month. With a 50% discount,

the senior rate is \$8.01 per month. The discount is not applied to yard waste service. Therefore, with yard waste a non-senior pays \$24.23 and a senior pays \$16.22. The Council has been provided with two options to amend the current contract. Proposal One is to include yard waste in the base service. It would no longer be an optional service and the eight bag limit would be lifted. To provide this service, the senior discount would drop from 50% to 20%. The non-senior rate would be \$20.01 and the senior rate would be \$16.01. An advantage to having yard waste built into the base service is the anticipated increase in demand for code enforcement services if it's optional. If it's not part of the base service, staff believes some residents won't want to pay for it and the need to issue infraction notices will increase. Proposal Two would keep yard waste collection an optional service, but it would be unlimited. To provide this service, the yard waste collection rate would be \$9.21 per month for a minimum of three months and the senior discount would drop from 50% to 20%. However, this discount would be applied to yard waste collection. The non-senior rate without yard waste would remain \$16.02 and with yard waste would be \$25.23. The senior rate would be \$12.82 without yard waste and \$20.19 with yard waste. Staff believes the increase in the rate for yard waste collection and the reduction in the senior discount aren't worth getting unlimited yard waste collection services and recommends remaining with the current contract. With either of the two proposals, Allied is requesting a three year extension to the current contract expiration date of August 31, 2016. In addition, they requested a yearly increase based on the cost of living. Staff prefers a set rate increase of 2.5% per year. Allied has also offered to purchase the City's leaf and limb collection equipment. The City has three leaf vacuums and two limb chippers and would retain the newest of each for park maintenance. The 2012 leaf vacuum and 2012 chipper would be kept. The 1996 and 1999 leaf vacuums and the 1995 chipper would be sold.

Mr. Zimmerman stated, with elimination of the leaf and limb collection program and because the City is heavily wooded, staff negotiated with the contractor in order to provide yard waste collection options.

Mayor Robinson asked if the plan is to eliminate all future City involvement in free leaf and limb collection service.

Mr. Zimmerman responded, in the event funding becomes available, the amended contract would allow the City to restore the service. However, it would be necessary to expend \$24,000 in Capital Improvement Funds for a new leaf vacuum.

Mr. Aubuchon asked if the City would be eligible for a grant to make the purchase.

Mr. Stewart replied in recent years the City has not been successful in obtaining grants for such equipment purchases.

Mr. Aubuchon asked if the remaining equipment would be used after a storm to eliminate limb debris throughout the City.

Mr. Stewart responded it would depend on the magnitude of storm damage. If it meets the level for Federal reimbursement, there would be funding to perform the service.

Mr. Zimmerman stated current policy provides that after a storm which caused damage the City Manager will consult with staff and, if warranted, make a storm declaration which would cue the Communications Manager to inform citizens limbs will be collected. With less equipment and manpower available, it's less likely a storm declaration will be made. It will also take longer to provide the service than in the past. Dependent upon the scope of damage, the City may contract the service.

Mr. Todd asked if Allied Services wants to purchase the City's equipment.

Tony Lamantia of Allied responded they have an area in another state where they perform leaf vacuuming and could utilize the equipment. He then provided the Council members with a handout and reviewed the proposals. He stated 4,442 homes currently pay for trash and recycling and, based on a three year average, 2,838 pay for optional yard waste year-round. There are 1,742 seniors registered for the 50% discount. Mr. Lamantia stated Allied provides service to 44 municipalities and 80% include yard waste as part of the base service.

Mr. Ryan expressed concern with the amount of rate increase for senior citizens. He noted those who currently don't have yard waste will see a quarterly increase of \$24.

Mr. Zimmerman stated with Proposal One non-seniors who don't have yard waste would see a \$4 per month increase and those who have yard waste would see a \$4 per month decrease. Seniors who don't have yard waste would see a significant increase of \$8 per month and those with yard waste would see a very small decrease. Roughly 55% of households currently have yard waste and would see a benefit with this proposal. Mr. Zimmerman stated the Council can choose to remain with the current contract and residents who want yard waste service can pay \$24.63 per quarter. With this option, they don't receive a pricing benefit.

After a lengthy discussion, Mr. Aubuchon noted most residents have yard waste collection and Option One will provide them with a savings.

Mayor Robinson moved, seconded by Mr. Ryan, to remain with the current Allied contract and revisit the proposal to amend the contract in one year.

Mrs. Hendon asked if the Council could be polled to determine support for each of the three options. There were no objections and the results were as follows:

<u>Remain with Current Contract</u>	<u>Amend Contract per Proposal One</u>	<u>Amend Contract per Proposal Two</u>
Mrs. Stroker	Mrs. Hendon	(none)
Mr. Ryan	Mr. Taylor	
Mr. Conley	Mr. Aubuchon	

Mr. Frank stated, in conjunction with Missouri Partnership, the City places ads in trade magazines every year to market to manufacturing and logistics businesses. Current development projects and prospects were reviewed. Mr. Frank stated historically the primary goal of the program has been job creation and retention. Going forward, staff believes it's appropriate for the Council to consider rebalancing the program goals due to the City's budget situation. For example, should more weight be given in the decision process to the revenue a project will provide the City or should property acquisition for future industrial development be considered? Policy for use of economic development incentives should be considered. These incentives include TIF, Chapter 353, and Chapter 100 bonds. Often an incentive is provided to the developer and the business locating at the site is seeking incentive as well. Possible retail development should also be investigated. Mr. Frank suggested hiring a consultant to perform a retail market study. He noted retail development is ineligible for funding from the Economic Development Sales Tax. The availability and configuration of the City's industrial parks should also be reviewed.

With respect to running out of area for new developments, Mrs. Hendon asked if all the large developments are full.

Mr. Frank responded they aren't, but we're experiencing an uptick of interest in those lots. One developer is proposing at least an additional two buildings. Staff is considering the possibilities for development long-range. The only large area available for new development at this time is floodplain and has issues with water and drainage.

Mr. Zimmerman stated staff understands review of the City's economic development policy is a huge undertaking and isn't looking for answers this evening, but simply wishes to start the conversation. Eight years have passed since the program was implemented and the makeup of the Council has changed. The program has been successful in light of the goals in place at inception. However, staff believes it's appropriate at this time to review, enhance, and transform it as deemed suitable.

Mrs. Hendon noted there are many locations in Hazelwood available for retail businesses. She asked staff's plan for retail development.

Mr. Frank responded staff worked very hard to bring CVS to Hazelwood. There isn't a parcel in the area along Howdershell Road where they wanted to locate that was large enough to meet their needs. Staff also had conversations with THF about locating Walmart in the Elm Grove Redevelopment area. Each of these projects, whether successful or not, required a considerable amount of staff time. Staff has found that retail developers don't want to locate on the south side of I-270.

Mr. Zimmerman stated staff has been approached by the new owners of Village Square Center about redevelopment. In addition, he stated, the Hanley Road/Pershall Road area is underutilized based on traffic patterns and is prime for redevelopment. These issues raise the question as to whether or not the City wants to have a marketing study performed.

Mr. Frank stated staff met briefly with a consultant during the Missouri Municipal League conference. Their services are \$100,000 over a three year period. They would pick up from the Buxton Company retail market study that was performed eight to nine years ago and determine what type of retail the community wants and would support. They would then seek retailers based on those results and the characteristics of our unique community.

Mr. Conley asked what guarantees the company would provide.

Mr. Frank replied he doesn't believe any guarantees would be provided.

Mr. Conley stated he wasn't impressed with the Buxton study and would be hesitant to spend such a large amount of money with no guarantees.

Mayor Robinson suggested adding this presentation to the agenda for the next Economic Development Sales Tax Board meeting.

Mr. Ryan stated he would like to see staff pursuing businesses rather than waiting for them to come to us.

Mayor Robinson asked staff to provide the Council with a synopsis of the Buxton retail market study.

Mr. Frank responded there's an executive summary in the front of the study. Staff will provide it to the Council.

Mr. Zimmerman stated staff will begin to frame discussion of these economic development issues and policies.

REFERENDUM OPTIONS

Mr. Zimmerman stated, after the August 5 election, the City was still facing a budget deficit of \$1.4 million.

Since that time, budget cuts have been made and the deficit was reduced by half. Mr. Zimmerman discussed issues that will affect next year's budget including the decision to flat-line this budget year's pension contribution, an expected 10.4% increase in next year's health insurance premium, and the possibility Robertson Fire Protection District will seek and pass a tax increase. With a full year of revenue from the new sales tax for fire department operations, without any additional costs, and with no cost of living adjustment or merit raises, the City will have a \$566,000 deficit next fiscal year. Mr. Zimmerman stated he believes a referendum should again be considered and staff has prepared several proposals. One is a referendum for a residential utility tax. Another is a referendum to increase the non-residential utility tax. Under state law, the City can impose up to an additional ¼ cent general sales tax and the cap on property taxes allows the City to impose up to an additional \$.23. Mr. Zimmerman stated the Council has until the second meeting in January to pass an ordinance authorizing a

referendum for the April 2015 election. He stated he met with Rob Wright, of Unicom Arc, Inc., who believes passage of a sales tax referendum is the most likely of the options. Mr. Wright also recommended holding public meetings to explain the budget situation and obtain feedback to provide a better sense of what citizens feel is the best option.

Mrs. Hendon noted there was poor turnout at the public meetings held prior to the August 5 election. She asked what would provide incentive for citizens to attend these meetings.

Mr. Zimmerman replied those who come will represent the people who aren't dealing with the real world consequences of a lack of revenue such as the Council and staff who live this every day.

Mr. Aubuchon asked if the same consultant would be used.

Mr. Zimmerman replied Mr. Wright believes Unicom Arc met the terms of the contract. However, they are willing to provide free services through the time the Council makes a final decision in January. This would include assistance with the public meetings and developing campaign strategies. At that time, the Council could decide whether or not to enter into another contract.

Mayor Robinson suggested the Campaign Committee be included in the process.

Mr. Zimmerman stated Carl Wolf, the committee chairman, was invited to come this evening.

Mayor Robinson suggested Mr. Wolf set up a meeting with Mr. Wright to review and analyze the results of the August election.

Mr. Wolf stated he has been waiting for direction from the Council and would be happy to contact Mr. Wright. He added during the public meetings the residents were told that if both referendums didn't pass there would be major cuts in service. He recommended against taking extraordinary action to temporarily lessen the impact of these cuts which will give the appearance the committee was not forthright during the campaign.

Mr. Zimmerman asked for direction with respect to scheduling public meetings during the months of October and/or November.

Mayor Robinson suggested the Council attend the meeting with Mr. Wolf and Mr. Wright at which time scheduling the public meetings could be considered. He suggested Mr. Zimmerman provide tentative dates.

Mr. Aubuchon suggested the Council consider the referendum options as this time. He expressed opposition to a ¼ cent general sales tax increase because it would place the City at the maximum. In addition, he stated he believes it would be detrimental to

There were no objections and Bill 4483 was read by title only:

**AN ORDINANCE APPROVING A SETTLEMENT AGREEMENT WITH CENTURYLINK
LANDLINE AND ASSIGNING A PERCENTAGE OF THE SETTLEMENT PROCEEDS
TO THE ST. LOUIS COUNTY MUNICIPAL LEAGUE.**

Bill 4483 will be on the agenda for second reading on October 15.

ADJOURNMENT The meeting was adjourned at 8:00 p.m.

Matthew G. Robinson - Mayor
City of Hazelwood, Missouri

ATTEST:

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