

**CITY OF HAZELWOOD
SPECIAL COUNCIL MEETING
APRIL 22, 2020**

CALL TO ORDER

A special meeting of the Hazelwood City Council was called to order by Mayor Matthew G. Robinson at 6 p.m. on Wednesday, April 22, 2020.

In response to the coronavirus (COVID-19) public health emergency and pursuant to the St. Louis County Stay-at-Home Order, some members of the City Council attended in-person in the Council Chambers at Hazelwood City Hall and others attended and participated by video conference in accord with Section 610.015, RSMo (“All votes taken by roll call in meetings of a public governmental body consisting of members who are all elected ... shall be cast by members ... who are physically present ... or who are participating via videoconferencing.”) It was impossible and impractical to hold the meeting in a manner physically accessible by the public. Section 610.020.2, RSMo (“Each meeting shall be held at a place reasonably accessible to the public ... unless for good cause such a place ... is impossible or impractical.”) Public access to the meeting was accommodated via access to video conference pursuant to notice provided in accord with Section 610.020, RSMo.

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

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

Council Member Tyler Wilson was not present. City Clerk Christine Thomas declared a quorum was present.

Also present were City Manager Matt Zimmerman and City Attorney Kevin O’Keefe.

AGENDA

There being no amendments proposed, Mrs. Hendon moved, seconded by Mr. Ryan, the adoption of the agenda as printed. The motion passed unanimously.

CONSENT AGENDA

Mr. Todd moved, seconded by Mr. Taylor, the adoption of the consent agenda as printed. The following vote was recorded on the motion:

AYE - 8

NAY - 0

Mayor Robinson

Mr. Todd

Mr. Taylor

Mrs. Hendon

Mrs. Singleton

Mrs. Stroker

Mr. Aubuchon

Mr. Ryan

The motion passed unanimously and the consent agenda, including a closed meeting to discuss a personnel matter in accordance with the provisions of RSMo 610.021(3), was adopted.

SPECIAL ORDER OF BUSINESS

IMPACT OF
CORONAVIRUS ON
CITY BUDGET

The financial status of the City, the impact of the coronavirus on the City budget, and revenue options were discussed.

Mr. Zimmerman stated St. Louis County Executive Sam Page has extended the Stay-at-Home Order until at least mid-May. Therefore, all City facilities will remain closed at least until May 18. Public safety personnel have been reporting to work and others have been working from home and coming to work when necessary. The business license renewal deadline has been extended to June 30, the deadline to submit a liquor license renewal application has been extended to August 1 and the expiration of current liquor licenses has been extended to August 31. Up-to-date information is posted on the City's website and Facebook page.

Mr. Zimmerman stated staff estimates the impact on the General Fund will be a loss in revenue of \$5.7 million. The Capital Improvement and Economic Development Funds will also be impacted. Expenditures in those funds will be limited to previous obligations. For example, a contract has been signed for improvements to Queen Ann Park and the City will lose the grant funding in fiscal year 2021 if the improvements aren't made as scheduled. Staff estimates a loss in General Fund revenue of \$1.5 million for the current fiscal year, ending June 30, 2020, and a loss of \$4.2 million for next fiscal year, ending June 30, 2021. The estimate includes assumed losses of 95% in hotel/motel taxes, 75% in sales taxes, plus more. Staff was projecting a deficit of \$713,000 for the current fiscal year. In response to the new revenue projections, staff has prepared a plan to cut expenses by \$727,000. Fiscal year 2020 expenses would be reduced by \$462,000 and fiscal year 2021 proposed expenses would be reduced by \$265,000 by eliminating the proposed 2.5% cost of living adjustment. The plan includes a 10-week furlough or temporary layoff of 12 full-time positions and all part-time positions, with the exception of janitorial staff. In addition, 58 non-emergency staff, would be furloughed one day per week with a 20% pay reduction for 10 weeks. Emergency personnel and janitorial staff would receive a 10% pay cut, with no reduction in work hours, for 10 weeks. The plan is intended

to be temporary while a long-term solution is sought. Full-time furloughed employees would be eligible for unemployment benefits and they would be eligible to maintain City provided health insurance. Although the 2020 budget included a deficit of \$1.3 million, it had been reduced to an estimated \$713,000 due to receipt of one-time revenues and not filling vacant positions. The proposed fiscal year 2021 budget included a deficit of \$3.6 million. If no action is taken, staff estimates a \$2.2 million deficit for fiscal year 2020 and a \$7.8 million deficit for fiscal year 2021. The City would be insolvent by February or March 2021. The proposed plan would provide an additional month to work on a long-term solution. As has been discussed since 2014, City revenues have not been keeping up with expenses. The coronavirus pandemic has exacerbated the situation and intensified the urgency to find a long-term solution. When 21% of the City budget goes to fire districts and 40% goes to fire services, the situation is unsustainable. The City's revenue sources are mixed (i.e.: sales tax, business licenses) and they fluctuate with the economy, unlike school districts and fire districts whose revenues come from property taxes.

Mr. O'Keefe stated the mediator is setting up a meeting for next week with representatives from the City and the two fire districts. In the meantime, he has asked the City to cooperate with the accounting consultant who analyzed the City's and Robertson Fire Protection District's (RFPD) financial positions so that the analysis can be updated to reflect the economic impact of the coronavirus. Near-term and long-term approaches to providing relief for the City will be discussed.

Mr. Aubuchon expressed concerns with cutting the pay of first responders who are on the front line. He stated those working at home are saving the cost of gasoline.

Mr. Zimmerman stated, because of the scope of the deficit, the mediator believes the cuts should be spread across all employees. He stated those working at home are coming to work when necessary, sometimes several times per week. He added Code Enforcement, Maintenance and other City staff are working in the field with exposure to the public.

Mr. Aubuchon stated he believes some municipalities are providing hazard pay for frontline employees.

Mr. Zimmerman replied he is in the Human Resources email group for the St. Louis area and no municipalities have implemented hazard pay. Most are considering cuts that include frontline personnel.

Mr. Aubuchon stated EMS and police are responding to homes where they risk exposure because the residents may have the coronavirus.

Mr. Ryan noted Chesterfield police took a 10% pay cut.

Mr. Zimmerman responded it was voluntary in lieu of furloughing officers.

Mayor Robinson stated Mr. Zimmerman would have discretion to work with employees.

Mrs. Singleton suggested the Council should cut their own pay and the Council agreed.

Mr. O'Keefe responded Council pay is established by ordinance and can only be changed by ordinance. The Council may donate any portion of their pay to any organization they wish.

In response to Council inquires, Mr. Zimmerman stated the 10% reduction to emergency personnel salaries is equivalent to \$165,000. If eliminated from the proposed plan, the City's insolvency would be delayed by three weeks rather than four weeks.

It was the consensus of the Council that the 10% reduction in emergency personnel pay should be eliminated from the plan because emergency personnel is more at-risk for contracting the coronavirus and the plan can be revisited at a later time.

Mayor Robinson reiterated the plan is subject to modification at the discretion of Mr. Zimmerman.

Mrs. Hendon asked how and when the employees would be notified of the plan.

Mr. Zimmerman stated tomorrow he will send letters to the unions and an email to employees and the directors will start meeting with their employees.

Mr. Zimmerman discussed other revenue options. The first option is to place a Neighborhood Improvement District (NID) proposition on the ballot. The tax would be for the amount of the Robertson Fire Protection District's property tax rate minus the City's property tax rate. If approved by the voters, it would generate about \$3.6 million annually in new revenue. It would increase the residential rate within the NID boundaries by \$27 per month for the average homeowner and the commercial rate by \$484 per month for a \$1 million business. The NID proposition may require 4/7 voter approval rather than a majority. A second option is to increase the City's property tax rates. The constitutional cap is \$1 per \$100 of assessed valuation which doesn't include debt. The City could place a proposition on the ballot to increase rates by approximately \$.24 which would require majority approval and would generate approximately \$1.3 million annually in new revenue. The third option is to place a proposition on the ballot to raise the sales tax for Hazelwood Fire Department services from \$.25 to \$.50 which would require a majority vote and would generate approximately \$780,000 annually. For the balance of this year, it would generate an estimated \$600,000 due to the impact of the coronavirus. All options require legislative approval by the Council and must be submitted to the Election Board by May 26 for certification for the August 2020 ballot.

Mrs. Singleton asked if a NID proposition could be placed on the ballot for the portion of the City served by the Florissant Valley Fire Protection District (FVFPD).

Mr. O'Keefe responded the difference between FVFPD's tax rate and the City's tax rate isn't dramatic. A differential cost analysis hasn't been performed and those circumstances

don't fit the statutory framework for a NID like the RFPD circumstances. He stated the savings is in the difference between the district's tax rate and the City's tax rate. The difference between FVFPD's and the City's tax rates isn't nearly as large as the difference between RFPD's and the City's tax rates.

Mayor Robinson emphasized passage of the NID would require RFPD support.

Mrs. Hendon asked if the Council will know whether or not the RFPD will support these proposals by the May 6 regular Council meeting.

Mr. O'Keefe replied affirmatively and stated NID and annexation proposals will be discussed at next week's meeting.

Mr. Zimmerman noted one day furloughs begin next week and City Hall will be closed on Fridays.

Mrs. Stoker asked if Capital Improvement Fund expenses, such as police vehicle purchases, could be cut and the money transferred to the General Fund.

Mr. O'Keefe replied revenue from the City's capital improvement tax cannot be used to pay for items other than capital improvements.

ADJOURNMENT Mayor Robinson announced the annual fireworks display has been canceled.

There being no further business to come before the Council, the meeting was adjourned at 7:07 p.m.

Matthew G. Robinson - Mayor
City of Hazelwood, Missouri

ATTEST:

Christine Thomas, CMC - City Clerk
City of Hazelwood, Missouri