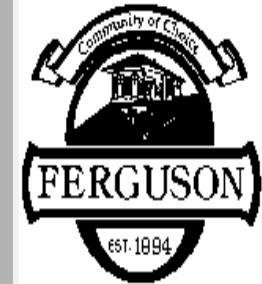


FERGUSON CITY COUNCIL

**Council Meeting
June 14, 2005**

**WORK SESSION, 7:00 P.M.
COUNCIL MEETING, 8:00 P.M.**

**CITY HALL
110 Church Street**



The regular meeting of the Ferguson City Council was called to order at 8:00 p.m. on June 14, 2005 by Mayor Brian P. Fletcher, in the Council Chambers of City Hall, 110 Church Street, Ferguson, Missouri. Mayor Fletcher requested that everyone stand for a moment of silent prayer, after which the Pledge of Allegiance was recited. On roll call, the following Council members were present:

Mayor Brian P. Fletcher
John Corson
Keith Kallstrom
James W. Knowles III
James Hines
Peggy Faul
Tim Larson

Also present were City Manager A.J. Krieger, City Attorney Stephanie Karr, and City Clerk Debbie Matthies. Mrs. Matthies declared a quorum was present.

Mayor Fletcher welcomed all present and explained the Public Hearing Portions, Public Portion and the Business Portion.

8:00 PUBLIC HEARINGS

❖ Ordinance Amending Chapter 49. – Zoning and adding a new Section titled Airport District

City Manager, A.J. Krieger explained that the City is required to hold a public hearing prior to any amendments to the Chapter 49 Zoning Ordinance.

As part of the Lambert-St. Louis Eastern Perimeter Area Project, the City of Ferguson entered into an Intergovernmental Agreement with the cities of Berkeley and Kinloch, as well as with the St. Louis County Economic Council. The Intergovernmental Agreement indicates that as a partner in the Airport Redevelopment consortium, the City of Ferguson will adopt uniform zoning and building codes for the land included in the airport redevelopment area.

The Airport District, or AD, is a special zoning classification that applies only to land within the airport redevelopment district. The purpose of the AD zoning district is to provide a seamless project with uniform land use development codes. Adoption of the AD zoning district does not impact any other portion of Chapter 49 of the Ferguson Zoning Ordinance.

On June 1, 2005, the City of Ferguson Plan Commission reviewed and recommended approval of the proposed Chapter 49 Zoning Ordinance text amendment.

Attorney Caroline Saunders, from Husch & Eppenberger, Counsel for the Lambert Airport Eastern Perimeter Joint Development Commission, which drafted the regulations of the Airport District Zoning, gave an explanation and purpose of the zoning text amendment and was present to receive Council and public comments.

Jim Knowles – 123 Renshaw had concerns and comments regarding the City not having plan review approval of the district. Mr. Knowles requested Council consider the permitted uses in the proposal and the Ferguson residences bordering the district.

There being no further public comments the Mayor declared the Public Hearing portion closed at 8:10 p.m.

PUBLIC HEARING

❖ Proposed Annual Operating Budget for Fiscal Year 2005-2006 and Capital Improvement Program

City Manager, A.J. Krieger explained that City Code requires a public hearing held prior to adopting a Resolution approving Fiscal Year 2005-2006 Operating Budget and Capital Improvement Program. The City conducted several budget sessions.

Finance Director, Joan Jadali explained that Notice was published May 25, 2005, however there were changes made after the May 31, 2005 budget session. Ms. Jadali explained each fund and its changes. Total revenues \$15,150,078, total expenditures \$14,273,797, showing a surplus of \$876,281.

There being no public comments the Mayor declared the Public Hearing portion closed at 8:15 p.m.

PUBLIC COMMENTS

Bill Duncan – 46 N. Elizabeth – would like to encourage the Council to consider the Line of Credit program. Mr. Duncan feels it is one of the best ideas in a longtime for the City in moving ahead. Mr. Duncan as well as other senior citizens would like to see these projects in their lifetime.

John Knowles – 716 N. Elizabeth – took a chance and moved to Ferguson and over the years has seen progress because someone believed in the community to put money into it. He further stated that he feels the City should show the residents that the City is willing to put back money into City infrastructure and redevelopment.

Alvin Zamudio – Owner of Soma’s Coffee House, 23 S. Florissant Road – one of the main factors on leasing his building was that he was allowed to have outdoor seating and signs. He is now being told that outdoor seating is not allowed and feels it is a conflict of City Ordinances. He further stated that not being able to have outdoor seating has affected his business. Mr. Zamudio requested Council review the Ordinance conflict and permit outdoor seating.

Ed Krueger – 425 Darst – is in favor of this City investing in itself. Homeowners are expected to invest in their homes and to borrow money to make improvements and expect it to be done in a certain timeframe or they are cited. Mr. Krueger feels that if the City invests in the community other people and businesses will invest in the community.

Joe Lonero – 901 Hudson – regarding the line of credit, Mr. Lonero feels the City should take a chance and invest smartly. He further stated that with the City’s sales tax increase the City has the money to spend.

There being no further public comments, Mayor declared the public portion closed at 8:25 p.m.

BUSINESS PORTION **CONSENT AGENDA**

APPROVAL OF MINUTES

Council Meeting Minutes - May 24, 2005. A motion was made by Council Member Knowles, seconded, and carried to approve the minutes as presented and file as appropriate.

RESOLUTIONS

#2005 -13 A Resolution of the City of Ferguson, Missouri approving and adopting a Budget for the 2005-2006 Fiscal Year was introduced by Council as a Whole and read by City Attorney Stephanie Karr. Roll call vote carried as follows:

AYES: 7 – Corson, Kallstrom, Knowles, Hines, Fletcher, Faul, Larson

NOES: 0

Resolution passes.

#2005 -14 A Resolution of the City of Ferguson, Missouri, adopting a Capital Improvement Program for City for the Fiscal Years of 2006-2010 was introduced by Mayor Fletcher and read by City Attorney Stephanie Karr. Roll call vote carried as follows:

AYES: 5 - Kallstrom, Hines, Fletcher, Faul, Corson

NOES: 2 - Knowles, Larson

Resolution passes.

#2005 -15 A Resolution of the City of Ferguson, Missouri, approving Transfer of Funds was introduced by Council as a Whole and read by City Attorney Stephanie Karr. Roll call vote carried as follows:

AYES: 7 – Knowles, Hines, Fletcher, Faul, Larson, Corson, Kallstrom

NOES: 0

Resolution passes.

#2005 -16 A Resolution approving the City Manager Contract Amendment was introduced by Council as a Whole and read by City Attorney Stephanie Karr. Roll call vote carried as follows:

AYES: 7 – Hines, Fletcher, Faul, Larson, Corson, Kallstrom, Knowles

NOES: 0

Resolution passes.

REQUESTS A motion was made by Council Member Knowles, seconded, to renew the following Liquor Licenses for the 2005-2006 fiscal year. Motion passed unanimously by voice vote.

Malone's Grill & Pub, Paul's Market, Mimi's Subway Bar & Grill, Emerson Electric, Savoy Banquet Center, Golden Greeks Tavern & Café, St. John Liquor, Rinderer's Drug Store, Ferguson Amoco, Convenient Food Mart #61, Zion Lutheran Church, Shop 'N Save, Shop 'N Save, Quicktrip #616, Huck's Food Store #274, Candlelight Banquet Center, Lamplighter Banquet Center, Merello Convenience, Inc. f/k/a Central City S&R II, Sam's Club #8125, Flower Depot Ltd., Vincenzo's, Ferguson Amoco, Smoke Stop, K-Lo's Lounge, R&R Mini-Mart, Ferguson Supermarket & More, Inc., St. Louis Wings, Wingstop,

This Is It Sports Bar & Grill, A&D Mini Mart, and Kelli's Pub.

NEW BUSINESS

A motion was made by Council Member Larson, seconded, to hold the regular Council Meetings on the fourth Tuesday during the months of July and August, which will be July 26, 2005 and August 23, 2005, pursuant to Sec. 2-26 of the Ferguson Code. Motion passed unanimously by voice vote.

BILLS REQUIRING FIRST READING

BILL NO. 6711 AN ORDINANCE REPEALING ORDINANCE NO. 2004-3215, AND ADOPTING AN ORDINANCE FIXING THE SALARIES AND OTHER COMPENSATION OF ALL OFFICERS AND EMPLOYEES OF THE CITY AS PROVIDED IN SECTION 2-47. COMPENSATION, OF CHAPTER 2. ADMINISTRATION, OF THE CODE OF THE CITY OF FERGUSON, FOR THE FISCAL YEAR 2005-2006; EFFECTIVE WHEN introduced by Council as a Whole and read the first time.

BILL NO. 6712 AN ORDINANCE REPEALING ORDINANCE NO. 2004-3216, AND ADOPTING AN ORDINANCE FIXING THE SALARIES OF PART-TIME EMPLOYEES OF THE PARKS AND RECREATION DEPARTMENT OF THE CITY OF FERGUSON; FOR THE FISCAL YEAR 2005-06; EFFECTIVE WHEN, introduced by Council as a Whole and read the first time.

BILL NO. 6713 AN ORDINANCE OF THE CITY OF FERGUSON, MISSOURI, CREATING A NEW ZONING DISTRICT TO BE KNOWN AS THE "AIRPORT DISTRICT", ENACTING REGULATIONS AND RESTRICTIONS THEREFORE AND RENUMBERING CERTAIN OTHER SUBCHAPTERS WITHIN CHAPTER 49. Introduced by Council as a Whole and read the first time.

BILLS REQUIRING SECOND READING

BILL NO. 6710 - AN ORDINANCE AUTHORIZING THE ISSUANCE OF VARIABLE RATE CAPITAL IMPROVEMENT BONDS, SERIES 2005, AND VARIABLE RATE CAPITAL IMPROVEMENT BONDS, SERIES 2006; AND AUTHORIZING CERTAIN OTHER AGREEMENTS, DOCUMENTS, AND ACTIONS IN CONNECTION THEREWITH. Introduced by Council as a Whole and read the first time.

A motion was made by Council Member Corson, seconded, and carried to read the Bill a second time and place it upon its passage.

City Manager, A.J. Krieger presented a power point presentation outlining the proposed \$5 million line of credit and to conduct a second reading of the Capital Improvement Line of Credit and to lay out a citywide improvement effort that would be funded in part

by the use of a Line of Credit and in part by the Capital Improvement Sales Tax Fund. Mr. Krieger further stated that at the special session on May 31, the Capital Improvement Sales Tax Fund, the current CIP, and their relationship to the Line of Credit was discussed. The presentation laid out recommendations for a total of \$4,665,000 worth of Line of Credit funded projects. The projects include Florissant Road Improvements/Downtown, Neighborhoods, Traffic Calming, Street Repairs, Suburban Avenue/Downtown and City Council Chambers, Mr. Krieger explained each project's category, description and total.

Mr. Krieger further explained one of the primary benefits of the Line of Credit is that it gives the City an opportunity to continue to engage in a responsible infrastructure maintenance program while allowing and affording the City an opportunity to make, within a two to three year timeframe, neighborhood, capital and other kinds of improvements. These improvements have been contemplated for years referenced in the 2015 Plan, the Downtown Vision Plan, the CIP (Capital Improvement Program) and throughout the Neighborhood Agenda. It gives the City an opportunity to make several years' worth of Capital Improvements now, thereby leveraging the resources and placing the City in a position to effectively manage the debt and still engage in a responsible infrastructure, maintenance and repair program. It allows the City a unique opportunity to catch up on deferred maintenance.

Mr. Krieger explained that outside the Line of Credit, the City is left with what has been the City's only option to-date, which is to engage in a piecemeal effort. City Staff recommends that the City is now in a financial and economic position to effectively manage the risk and to engage in an aggressive immediate Citywide improvement program. Mr. Krieger commented that at the first reading Council was given Option A and Option B. Option A is committing through one approval to the \$5 million still within two draws to allow the City to account for the bank qualified problem and Option B is two separate draws and the inability to lock in a fixed rate for the entire \$5 million. Council's consensus was five for Option A, one for Option B and one undecided. Staff has prepared the Ordinance and is recommending Council approval.

Mark Boatman and Anderson Corder, representatives from Bank of America were present to answer Council questions.

A lengthy discussion ensued regarding the Line of Credit.

Mr. Knowles had concerns and comments regarding line of credit and its flexibility and feels it is a type of Bond issue.

Mr. Krieger explained that it is not a Bond issue and the City is not issuing Bonds, the Line of Credit will be funded by Bonds that would be purchased by Bank of America.

Bank of America will purchase up to \$5 million in Bonds, the proceeds of which will be made available to the City via a Line of Credit arrangement.

Mr. Krieger further commented that during the May 10 City Council meeting the term sheet, Option A and B and further options were explained and discussed. It was also discussed to the extent in which a delay in drawing down any funds limits the ability to lock in a fixed rate and, therefore exposes the City to additional risks of increased interest rates. At one point, any type of draw schedule could have been set up as part of the term sheet and part of the first reading when the Council's direction was 5-1-1 for Option A, which is the way the Ordinance is written for second reading.

Mr. Knowles commented that Council was told of three sources of revenue to pay it back, CDBG, Park Fund and Capital Improvements.

Mr. Krieger explained it is in the Capital Improvement Plan and if Council will recall that when it was discussed on May 31, Mr. Krieger gave a worse case scenario laying out for the Council five years worth of Capital Improvement Sales Tax revenue that did not increase one dime and only using the Capital Improvement Sales Tax fund to pay it back to the extent to which the Council shift its priorities and wants to engage in Park improvements, in CDBG eligible improvements and or engage in work downtown that would make downtown TIF funds as eligible as well. There are alternative sources. Staff's purpose in laying it out the way it did was to show that the Capital Improvement Sales Tax Fund, by itself, no one expects it to carry the burden by itself, but it can handle the debt and still engage in a responsible maintenance and repair effort.

Mr. Knowles questioned the Resolution that was voted on for Capital Projects recommended for funding 2006-2010.

Mr. Krieger explained that the purpose of the Resolution is to adopt a CIP schedule as part of the Charter and part of the Budget requirement, every year in November the Staff will submit to Council the CIP. If the Council wants to change the allocations and funding amounts, money can be transferred to the Capital Improvement Sales Tax Fund at any time and it will show in the Budget.

A lengthy discussion ensued regarding penalties and risks.

Ms. Faul is interested in investing in the community but had comments and concerns regarding the swaps and Line of Credit being new. From what she has read, it is unregulated and unlike Bonds.

Before taking on the Line of Credit, Ms. Faul would like to see the results of the City sales tax after a year, and hire an Economic Developer and a Community Relations Coordinator. Ms. Faul further commented that she is concerned with the large amount

of debt and would be interested in an amount lower than \$5 million.

Anderson Corder, with Bank of America explained the swap market and fixed rates.

Mr. Larson commented that he wished the City would use their improved financial situation to increase the amount of funding for street repairs, etc. and maintain it at a solid level instead of using a \$5 million debt, which will lock in Councils for the next 15 years.

Mr. Hines feels it is the right approach now and it will make the City better.

Mayor Fletcher commented while walking through Black Oaks subdivision he spoke to a gentleman who lived there for 20 years and every two years the gentleman was promised the Black Oaks streets would be repaired and it never happens. Black Oaks is a street that does not have high traffic volume and because the City has been doing a deferred maintenance and only repairing streets that need repair and have high volume traffic, this homeowner who pays the same taxes and expects the same services never receives street repairs. With the pay as we go along approach, this gentleman more than likely will never receive street repairs. Mayor Fletcher promised to accelerate street repairs and City improvements. Mayor further stated that one of the issues discussed in the group meetings to pass Props 1 and 2, would be to improve City services to the residents. Mayor is very excited about the Line of Credit proposal and has heard nothing but positive comments.

Mayor further commented that the City needs to attract people to the community; not only to the downtown area, but also to West Florissant and New Halls Ferry area where residents are feeling neglected and have been overlooked for many years. This plan will correct the problems on their streets and improve neighborhoods. Mayor commented that if the City is not willing to invest in the community how the City can expect the Economic Coordinator to ask investors to spend millions of dollars, when the City is not willing to. Mayor Fletcher feels it is the right approach for the City and urges Council's support on this issue.

Mr. Knowles commented people do want their streets repaired and has concerns that starting in 2008 the City is going to spend \$200,000 more paying back this Bond than on streets for the next nine years. Mr. Knowles realizes that money needs to be spent on Florissant and Suburban Roads, which will take about \$2.5 million and he would not have a problem with borrowing money to pay for those improvements. Mr. Knowles would like to use existing CIP money for street repairs. The promise he made to the citizens is to never put this City in debt and then ask citizens for money. He suggested taking \$2.5 million from the Line of Credit and talk to the citizens about a \$2.5 million Property Tax Bond issue, which Mr. Knowles would be willing to do. Mr. Knowles feels that Council has rushed through and not explored every option. Mr. Knowles would like

to table the Bill.

A motion was made by Council Member Knowles, seconded, to table Bill No. 6710.

Mayor Fletcher commented that Council has had six weeks to discuss this issue and believes Council is either supportive or not and to table it is to by-pass a decision. Council was elected to be leaders and make decisions and Mayor Fletcher is not in favor of postponing this Bill.

Mr. Knowles would like to see another plan the City could use that would only incorporate \$2.5 million.

Discussion ensued with tabling Bill No. 6710; Ms. Faul's concerns are similar to Council Member Knowles regarding the amount and Ms. Faul agrees with Council Member Larson in that the City should use other money for street repairs. Ms. Faul agrees with street repairs, especially Suburban and Florissant Road, and the neighborhood improvements but is still leery of a \$5 million Line of Credit.

Mr. Hines feels that many people are going to be very disappointed with this Council if Council does not approve the Line of Credit. The citizens now feel like something is going to be done.

Mayor Fletcher stated a motion has been made, seconded, to table Bill No. 6710. On roll call vote, the motion carried as follows:

AYES: 3 – Knowles, Faul, Larson
NOES: 4 – Corson, Kallstrom, Hines, Fletcher

Motion to table Bill No. 6710 failed 4 – 3.

Mayor Fletcher proceeded with the original motion, which was a motion made by Council Member Corson, seconded, and carried to read the Bill a second time and place it upon its passage. On roll call vote, the motion carried as follows: 4 - 3

AYES: 4 – Fletcher, Corson, Kallstrom, Hines
NOES: 3 – Faul, Larson, Knowles

Bill No. 6710 was declared passed and sent to the Mayor for signature. Bill No. 6710 thus became Ordinance No. 2005-3237 and is permanently recorded in Book 27 on page 19.

MISCELLANEOUS

Peggy Faul – commented on how nice the PROUD dinner was on Saturday night. Today is Flag Day. Ms Faul would like to hold a Boards & Commissions dinner this year.

James Knowles – commented Council is in a position to move forward and do the best Council can with the plan in front of them. Mr. Knowles sincerely hopes everything will work out the way Staff and Council want it to and prove his vote wrong.

Keith Kallstrom – attended the PROUD dinner. Today is Flag Day and if anyone needs to dispose of old Flags you are invited to use the American Legion Flag disposal box located at 837 S. Florissant Road. An Airport TIF Hearing will be held on Wednesday, June 15 at the UMSL J.C. Penney Building, room 222.

John Corson – thanked City Staff and Council for their work on the City Budget and CIP. Mr. Corson would like to work towards the necessary Airport District's necessary changes to help with the City's process and believes it is important to be a member of the team. Mr. Corson commented he did not participate in the Line of Credit discussions because he felt Council understood what they wanted, and, hopefully Council will go in the right direction. Mr. Corson feels that Council has asked people to commit to this City so Council needs to invest in this community because Council believes in its future. To take on debt is a risk. Council has an obligation to City Staff, to this Council as well as future Councils to make sure an eye is kept on this debt. Mr. Corson feels this is not just about revenues, or developing those revenues, there are many key issues in the neighborhoods that talk about the quality of life and this community, if this plan meets those objectives then Council will have been successful. Mr. Corson hopes Council is moving in the right direction. The City Staff has the tools to make this a better community.

City Manager, A.J. Krieger – requested Council move quickly to establish the priorities, dollar amounts and categories for the Line of Credit. The City needs to make the improvements not only to generate revenue, but also to add to the quality of life.

Mayor Fletcher – commented that the PROUD event was well attended and thanked the Browns for hosting the event at their beautiful home and garden. Mayor Fletcher further stated that he is proud of this community and the Council. He has confidence that this Council will take the Line of Credit, use it to the best use for the citizens, and add value to our community.

There being no further business to discuss, a motion was made by Council Member Knowles, seconded, to adjourn the meeting at 9:25 p.m.

Debbie Matthies, City Clerk