



# BETTER TOGETHER PROPOSAL IMPACT ON TOWN AND COUNTRY

Revised March 14, 2019

# Better Together Proposal



- Better Together Proposal Issued Publicly at Press Conference on January 25, 2019. Revised petition filed February 11, 2019.
  
- Calls for Statewide Vote on Constitutional Amendment in November 2020
  - Creates a new class of city - “A Metropolitan City”
  - Unify St Louis City & St Louis County as a Metropolitan City
  - Cities in St Louis County to become “Municipal Divisions” of the Metropolitan City
  
- Effective Date is January 1, 2021
  - Transition Period of Two Years to Full Implementation in January 2023
  - First election for Metropolitan City Council in November 2022; take office January 2023
  - First elections for Metro Mayor, Prosecutor and Assessor November 2024; take office January 2025

# METROPOLITAN “METRO” CITY OF ST LOUIS



- Combine St Louis City and County into Single Government, Population 1.3 million
- All existing cities (including St Louis City and Town & Country) to become Municipal Districts
- Partisan Elections for all positions in Metropolitan City
- Metropolitan City headed by elected Mayor (4 Year Term)
- Metropolitan City Council Composed of 33 elected Councilmen by districts (4 Year Term)
- Prosecutor and Assessor Independently Elected at large

# METRO MAYOR



- Is a “strong Mayor” form of government
- Mayor appoints all department heads who serve at the pleasure of the Mayor
- Mayor appoints all members of boards and commissions
- Mayor SHALL appoint 4 deputy mayors to be called:
  - Deputy Mayor for Public Health and Safety
  - Deputy Mayor for Economic Development and Innovation
  - Deputy Mayor for Community Development and Housing
  - Deputy Mayor for Community Engagement and Equity
- Mayor to have line-item veto authority over budget

# METRO COUNCIL



- 33 Members elected by sub-district (roughly 40,000 residents in each district)
- Each Council member to have at least two full time-staff members
- Creation of initial District Boundaries set by a committee jointly appointed by the Mayor and Transitional Mayor from faculty of one or more universities in the Metro City with relevant expertise and without partisan affiliation
- President of Metro Council to be elected by members of Metro Council from among its members

# METRO CITY TO BE GOVERNED BY CHARTER



- The Metropolitan City shall be governed by a CHARTER. The initial charter of the Metro City shall be the Charter of St Louis County except as otherwise provided in this section.
- During the transition period, the mayor & transitional mayor SHALL solicit public input and jointly present a plan (Charter?) to the Metropolitan Council. No voter approval involved.
- The plan (Metropolitan Charter?) shall take the place of and supersede all charter provisions, ordinances, rules and regulations and orders inconsistent therewith.
- Any subsequent amendments to the new Charter proposed by ordinance of the Metro Council will require a 2/3 vote of the electorate.

# METROPOLITAN CITY



- “General City Service” shall mean ANY duty, service or function of the Metro City, a county or a city, now or in the future assigned by law, charter or ordinance of the Metropolitan City including
  - Public Health, Safety and General Welfare
  - Police, law enforcement and municipal courts
  - Licensing, taxation and regulation of businesses, occupations, professions & activities
  - Transportation, Infrastructure and Public Works
  - Economic Development
- Metro City also responsible for all traditional county functions

# GOVERNANCE OF MUNICIPAL DISTRICTS



- Existing municipalities to become “municipal districts” with severely restricted service responsibilities (Fire-EMS, Parks & Recreation, Utilities, and Trash)
- Governing body of existing municipalities at time of adoption of plan (January 2021) to remain in office until April 2023 (Municipal Elections in 2021 and 2022 cancelled)
- Budgets for municipal districts to be submitted annually for review and approval of Metro City. Transitional budgets for 2021 and 2022 same as 2019 budget
- Taxes proposed for municipal districts to be submitted for approval of Metro Council prior to submittal to voters

# MUNICIPAL DISTRICTS OF METRO CITY



- “Municipal District Service” shall mean any duty, service or function of the municipality immediately prior to the effective date of this section or in the future assigned to the municipal district by law, charter or ordinance of the Metro City and which is not otherwise a “general district service” provided or secured by the Metro City within the territory of the municipal district, including without limitation:
  - Fire, EMS and related services
  - Parks & Recreation
  - Administration of the Municipal District
- “Municipal Districts” to remain financially responsible for all outstanding obligations which include bonds, notes, capital leases and similar obligations which includes pension liabilities
- “St Louis Municipal Corporation” responsible only for outstanding obligations of former City of St Louis
- Metro City MAY assume obligations of municipal districts and STL Municipal Corporation
- Metro City to provide municipal district services in areas not otherwise included in a municipal district

# MUNICIPAL DISTRICTS



- A municipality shall continue its corporate existence as a “municipal district”
- The governing body shall serve as the Planning Commission (Zoning Authority Assigned to Metro City) and Board of Adjustment for Metro City
- The governing body of a municipal district may adopt ordinances not inconsistent with the ordinances of Metro City

# EXISTING CITY OF ST LOUIS



- Effective January 1, 2023, the area of the existing City of St Louis shall become the “St Louis Municipal Corporation” for the purposes of satisfaction of outstanding obligations of any kind of the municipal district "except the Metropolitan City MAY assume obligations of the St Louis Municipal Corporation.
- Provide for the provision of municipal district services (except Fire Protection).
- Effective January 1, 2023, the St Louis Fire Protection District is created to provide fire and ems services within the area now known as the City of St Louis. The Fire District is authorized to levy whatever Real Estate Tax is sufficient to produce substantially the same amount of revenue certified by the board as necessary. After January 1, 2025, the general state regulations on fire district taxation shall apply.
- Governing body of St Louis Municipal Corporation to be composed of 5 members appointed by the transitional mayor.

# FINANCING OF SERVICES



- General District Services of the Metropolitan City to be funded primarily from sales taxes
- Municipal District Services to be funded primarily from property taxes
- Earnings Tax in City of St Louis to be phased out over 10 year period
- Each municipal district is a sub-district of the Metro City and the Metro City can, with voter approval in the municipal district, levy different taxes within the municipal district to increase the level of any services in the municipal district

# FINANCES - GENERALLY



- The METRO CITY shall be entitled to all funds from the state or federal government to the extent and same manner in which any county or city may be entitled to receive such funds (Under this amendment, existing municipalities will no longer be “cities”)
- All taxes, including sales taxes, levied by the municipalities to remain in place during the transition and become taxes of the Metropolitan City
- Property Tax levied by St Louis County for general county government purposes to be reduced by 50%

# PROPERTY TO BE TRANSFERRED TO METRO CITY



- Property, contracts, records and personnel of a municipal district relating to the provision of a general district service shall be transferred to the Metro City
- Property encumbered by debt is not transferred until the debt is retired
- Is transfer of property with or without compensation to the municipality?

# TAXES - GENERALLY



- The tax structures, tax rates and level of services in effect prior to the effective date of this section shall remain in effect until modified by the Metro City. Except the Real & PP Tax levied by the City of St Louis shall be replaced by the current rate of tax in the County Government.
- General District Services and the satisfaction of outstanding obligations of any kind of the Metro City shall be financed with funds generated within the territory of the Metro City including all municipal divisions
- Municipal District Services and the satisfaction of outstanding obligations of any kind of the Municipal District shall be financed with funds generated within the territory of the municipal district.

# TAXES DURING TRANSITION PERIOD



- During the transition period, (2021-2022), the Metro City SHALL distribute to the municipal districts funds generated from any tax, fee or special assessment initially levied by the municipality and collected within the municipal district for:
  - the satisfaction of any outstanding obligations of the district
  - necessary for the provision of municipal district services in the district
  - necessary for the provision of general district services in the district until such service is provided by the Metro City.

# TAX DISTRIBUTION AFTER TRANSITION



- The Metro City SHALL distribute any tax, fee or special assessment of the Metro City initially levied by a municipality to the municipal district for satisfaction of any outstanding obligation.
- The Metro City SHALL distribute any remaining funds generated by a property tax or special assessment of the Metro City initially levied by the municipality to the municipal district for provision of general district services until such service is provided by Metro City in the territory of the municipal district.
- The Metro City SHALL distribute any remaining funds generated by any sales or use tax of the Metro City initially levied by the municipality to the municipal district as necessary for provision of municipal district services or general district services until such service is provided by Metro City.
- Any remaining sales taxes levied within the territory of a municipal district and not distributed to municipal districts MAY be used by Metro City to provide general district services

# SHALL DISTRIBUTE SALES TAXES “AS NECESSARY”



- While the language relating to distribution of sales and use taxes to municipal districts has been changed from “MAY” to “SHALL” the language still includes the modifier...

## AS NECESSARY

- “As necessary” is a subjective judgement. Who will determine what amount is necessary?

The Metro Mayor? The 33 member Metro Council?



# REVENUES LOST BY TOWN & COUNTRY TO THE METRO CITY

- Sales Tax imposed by the Municipality
- Taxes for “Cities”; County Road, Bridge & Cigarette Tax; State Gasoline, and Motor Vehicle Fees Shared by the State
- Municipal Court Revenues
- Revenues from Business Licenses
- Revenues from Land Use Regulations
- Building Permit & Inspection Fees

# SALES TAX DISTRIBUTION



- All sales taxes levied by municipalities will continue as levied but shall be taxes paid to the METRO CITY not to the municipal districts
- The Metro City SHALL pass thru to the municipal district those sales taxes necessary to meet outstanding obligations of the municipal district
- The Metro City MAY pass thru to the municipal district remaining sales tax revenues necessary for the provision of municipal district services.
- Any remaining sales tax revenues MAY be used by the Metro City to finance general district services in the Metro City.



# DUTIES ASSUMED BY METRO CITY

- POLICE
- TRANSPORTATION (STREETS)
- PUBLIC WORKS - Zoning & Land Use, Building Permits, Nuisance Codes
- MUNICIPAL COURT

# DUTIES OF TOWN AND COUNTRY



- FIRE & EMS
- PARKS & RECREATION
- PENSION
- GENERAL ADMINISTRATION

# ONGOING ESTIMATED EXPENSES



Department	Description	2019 Budget	Cummulative
All Departments	Pension	600,000	600,000
Administration	Administration	450,000	1,050,000
Fire and Ambulance	West County EMS	3,604,080	4,654,080
Fire and Ambulance	Creve Coeur Fire	113,954	4,768,034
Fire and Ambulance	Central County Alarm	283,120	5,051,154
Parks & Stormwater	Parks Maintenance	1,004,980	6,056,134

# FINANCE SUMMARY ESTIMATES



- Estimated \$6 million in Fire/EMS, pension, admin and parks expenses
- Estimated \$2 million in commercial utility tax revenues
- Estimated \$4 million gap required to provide municipal services
- Estimate does not include any capital expenses for trails, municipal buildings, etc.
- Assumes Metro City funds street improvements and maintenance, parks improvements/capital items

# HOW DO YOU MAKE UP THE DIFFERENCE?



As an example:

- Property tax assessment if approved by Town and Country voters and Metro City of \$0.50 per \$100 assessed value generates \$4 million annually
- Median value home appraised at \$659,700 would pay \$600 in R.E. taxes, as an example

# PROPERTY TAX



## Residential Examples

	Now	Add to Ceiling	Now	Add
<u>Valuations:</u>				
Residential Real Estate	512,962,200	512,962,200	659,700	659,700
Commercial Real Estate	211,607,726	211,607,726	1,253.43	1,253.43
Personal Property	83,591,246	83,591,246	-	617.94
				<b>\$ 617.94</b>
 <u>Real Estate/Property Tax Rates:</u>				
Residential Real Estate	-	0.493		
Commercial Real Estate	-	0.600		
Personal Property	-	0.579		
 <u>Estimated Revenues:</u>				
			Increase	
Residential Real Estate	-	2,528,904	2,528,904	
Commercial Real Estate	-	1,269,646	1,269,646	
Personal Property	-	483,993	483,993	
	\$ -	\$ 4,282,543	\$ 4,282,543	
		\$ 4,282,543		
		<b>Additional revenue generated</b>		

# SUMMARY



- The Municipal League of Metropolitan St Louis is supporting a petition drive to establish a Board of Freeholders authorized by the Missouri Constitution.
- The goal of the league is to obtain signatures by April 15 - in the City and - in the County.
- The petition would require the appointment of nine Board members each by the County Executive and Mayor of the City of St Louis with approval of their boards. No more than five of the nine shall be of the same political party. The Governor shall appoint one member from another county.
- The Board of Freeholders has the authority to submit to the voters of the City and County proposals for reorganization.