**FINANCE AND ADMINISTRATION COMMITTEE**
**November 30, 2023**
**2:00 p.m.**
**Councilman Denny Whayne Conference Room (Busch Building, 4th Floor)**

**MEMBERS PRESENT:** Matthew Simpson, Chair; Heather Hardinger; Monica Horton; and Brandon Jenson.

**MEMBERS ABSENT:** None.

**STAFF PRESENT:** Jason Gage, City Manager; Maurice S. Jones, Deputy City Manager; Collin Quigley, Deputy City Manager; Jan Millington, Interim City Attorney; Colten Harris, Superintendent of Streets; Jerry Mitchell, Superintendent Parks Business Operations; Jody Vernon, Assistant Director of Finance and Comptroller; Andrew Flippin, Principal Engineer; Brock Rowe, Director of Building Development Services; David Holtmann, Director of Finance; Teresa Allen, Budget Coordinator; Tammy Beeman, Financial Analyst; Anita Cotter, City Clerk; and Lauren Fischer, City Clerk Administrative Specialist.

**GUESTS:** Jack McGee, *Springfield Daily Citizen;* Gary Wilson, Springfield Apartment and Housing Association; Megan Creson, Springfield Apartment and Housing Association; Rusty Worley, Neighborhood Advisory Council; Brent T. Brown, Springfield Apartment and Housing Association; Gary Wilson, Springfield Apartment and Housing Association; and Jordan Paul, citizen.

---

Mayor Pro Tem Matthew Simpson, Chair, called the meeting to order at approximately 2:03 p.m., and roll call was conducted. Present: Heather Hardinger, Monica Horton, Brandon Jenson, and Matthew Simpson. Absent: None.

Mayor Pro Tem Simpson introduced Jason Gage, City Manager. Mr. Gage noted Jordan Paul was in attendance for the meeting. He further noted Mr. Paul would be the new City Attorney beginning in 2024.

Councilwoman Horton moved to approve the minutes of the September 28, 2023, meeting as presented. Councilman Jenson seconded the motion, and it was approved by the following vote: Ayes: Horton, Jenson, Hardinger, and Simpson. Nays: None. Absent: None. Abstain: None.

Mr. Gage introduced David Holtmann, Director of Finance. Mr. Holtmann then turned the meeting over to Teresa Allen, Budget Coordinator, to present the evaluation of charges for municipal services (Exhibit A).

Ms. Allen reviewed the agenda for the presentation. She explained the presentation would review the Finance Department's fee policy and methodology used to establish the fees for municipal services and how those fees were calculated. She noted the presentation would review the fee study statistics, introduce new fees, and highlight certain fee changes for the upcoming fiscal year.

Ms. Allen reviewed the fee policy regarding certain fees and charges for various City services (Exhibit A). She explained one-third of the fees were evaluated on a rotating basis. She noted this year, Public Works and Environmental Services Enterprise fees were evaluated. She noted the remaining two-thirds of the municipal fees, which were not evaluated this year, would increase by the Consumer Price Index (CPI). She further noted per the policy, the recommendation would be to cover 100% of the fees evaluated except the Hazelwood Cemetery fees, which were evaluated this year, and some Health Department fees, which were evaluated last year.

Ms. Allen discussed how the fees were calculated. She noted the Finance Department used the most recent labor cost projections, then averaged that cost amount among all employees within a job title to calculate the direct labor cost. She noted the direct labor cost included the information provided by each department regarding the average time it would take for a service to be performed. She further noted the three-year average of direct costs, the three-year average of division supplies and service cost, and the three-year average of department administrative overhead and City overhead were added to provide the total cost for the FY2024-2025 proposed fee.

Mayor Pro Tem Simpson asked if the Hancock Law, which required voter approval for fee increases over a certain amount, applied to the proposed fee adjustments. Ms. Allen responded affirmatively. She noted any fees or cost recovery amounts over a certain amount would require voter approval because it would be considered a tax.

Ms. Allen noted the fee study evaluated three budget years (Exhibit A). She explained the current fees were passed for FY2023-2024 and became effective July 1, 2023, and the proposed fees would be effective July 1, 2024, for FY2024-2025. She noted the Finance Department was seeking the Committee's feedback and approval to send the proposed to City Council for adoption. She further noted the fee study was scheduled for first reading on January 8, 2024.

Ms. Allen provided an overview of the 126 fees evaluated. She noted there were no fees recommended for elimination. She further noted there were four fees recommended to be reduced, 25 fees which had no changes recommended, and 96 fees recommended to be increased. She noted the recommended fee adjustments would generate $1.8 million more in total revenue for the non-general and general funds than in FY2023-2024. She further noted the overall total proposed revenue generated would be $18.8 million for FY2024-2025.

Councilwoman Horton asked if the "fee in lieu of" revenue included payments received from property owners who installed sidewalks. Ms. Allen responded affirmatively.

Mayor Pro Tem Simpson asked if the new process used to evaluate the fees was helpful to the Finance Department. Ms. Allen responded the process was helpful because it provided a way for the department to evaluate fees more efficiently. She noted additional fees would be added each year, and the new process allowed all fees to be evaluated throughout the year.

Ms. Allen discussed the permit, plan review, and inspection fees (Exhibit A). She explained entities who would like to participate in development activities were required by City ordinance to apply for various permits. She noted there were no added fees to this section, but due to an open transportation planner position, the commercial driveway permit and the sidewalk permit had a shift in duties which created a significant fee change.

Ms. Allen explained the charges for services which were not considered regulatory services (Exhibit A). She noted in this section, the consumer of these services could choose whether the service provided had enough value to justify paying the established charges. She noted there was a shift in responsibilities regarding the escrow fee which resulted in a decrease to the total time calculated to provide the service. She explained the Hazelwood Cemetery fees were in market range for burial services for the area and only needed minor adjustments to the fees to account for the increase in the lot sales and perpetual care of the cemetery. She further noted the only new fee added to the Hazelwood Cemetery was for a single cremains unit lot sale.

Ms. Allen discussed the permitting for micromobility (e-scooters) rental devices on the City right-of-way. She noted this was a new fee added to the fee study. She further noted an estimate was used to calculate a fee at the time the devices were approved by City Council to quantify the time used to review the business plan and contract renewal to establish the fee.

Ms. Allen noted the right-of-way infrastructure repair fees and the street fees were impacted by rate changes. She explained the Federal Emergency Management Agency (FEMA) rate on the equipment used for street cleaning and street repairs could change every other year. She noted there was not a change in staffing or the time used to provide the services, but the hourly rates for using the equipment and the cost for asphalt increased which affected the CPI rates used to calculate the original rate.

Ms. Allen discussed the fee in lieu of sidewalk construction. She noted this fee would be evaluated when sidewalk construction and detention for flood control were required in an area. She explained depending on certain conditions, a request could be made to City Council to consider the fee in lieu of construction. She noted the decision to accept the fee would be at the discretion of the City Manager and the Director of Public Works. She provided additional information relating to the fee in lieu of sidewalk construction (Exhibit B). She noted the fees collected were maintained in a separate fund to be used for future construction needs within the area. She further noted this fee would be based on the cost to the City for work completed by independent contractors.

Councilman Jenson asked if the projected revenue would reflect developers who choose to use the fee in lieu of sidewalk construction. Ms. Allen responded the projected revenue would not reflect the units of service regarding the fee in lieu of sidewalk construction because it is based on the number of sidewalks completed the previous year.

Mr. Gage noted the contractor would need justification before the fee in lieu of sidewalk construction could be approved by the City Manager. Brett Foster, Traffic Engineer, noted a contractor would need to provide a substantial reason a sidewalk could not be constructed to request a fee in lieu of sidewalk construction. He further noted the request would need to be evaluated by the Director of BDS, the Director of Public Works, and the Director of Planning and Development before the fee in lieu of sidewalk construction could be submitted to the City Manager for approval.

Ms. Allen discussed ordinance violations relating to tree abatements (Exhibit A, page 24). She noted the State statute allowed the City to recover the cost incurred by the City when enforcing certain ordinances. She noted there were no new fees for the section but there were changes to the rate for the equipment used to abate the hazard.

Councilman Jenson asked about the cost evaluated for tree removal. Ms. Allen explained the tree abatement cost increased due to an increased FEMA rate and the increased equipment charge for the bucket truck, chipper, and clam truck.

Ms. Allen discussed the enterprise fund fees. She noted the enterprise fees were established to recover operation costs and long-term capital investments (Exhibit A, pages 26-28). She noted these fees were evaluated by the Environmental Services Department and were included in the fee study to ensure they would be reviewed annually. She noted there were no new fees in this section. She noted the Clean Water Services and Sanitary Landfill fees were projected to increase. She further noted the tipping fee, the minimum fee for disposal of municipal solid waste, was the largest generator of fees and was proposed to increase due to inflationary operating costs.

Ms. Allen noted the proposed fees were scheduled for a first reading by City Council on January 8, 2024. She further noted, upon approval, the fees would be effective on July 1, 2024.

Mayor Pro Tem Simpson discussed the previous decrease in tipping fees due to the City accepting trash removal from other municipalities. He asked if the prorated share of future cost for trash removal was still accounted for in the tipping fees. Mr. Holtmann responded the tipping fee was an annual calculation and would be available in the upcoming audit presentation.

Councilman Jenson discussed the brush lot fee. He noted there were programs used by other municipalities to assist citizens with storm debris removal. He asked if the City had considered implementing a service or designating a drop off area for citizens to use for storm debris removal. Mr. Gage responded he was unsure if the City had a policy relating to storm debris removal. He explained certain factors, such as cost implementation for the program and national weather declarations, could affect the City's approach to providing those services. He noted the staff would review the current policy and provide an overview to the Committee.

Councilwoman Hardinger moved to send the evaluation of charges for municipal services to City Council. Councilman Jenson seconded the motion, and it was approved by the following vote: Ayes: Jenson, Hardinger, Horton, and Simpson. Nays: None. Absent: None. Abstain: None.

Mayor Pro Tem Simpson noted the next agenda topic was the continued discussion of Resolution 10722 (Nuisance Property). Mr. Gage introduced Brock Rowe, Director of BDS, as the presenter.

Mr. Gage asked the Committee members for clarification whether the focus of the report should be the nuisance building or if the focus of the report should be the nuisance site, which would include the trash and overgrowth issues. He explained the Community Involvement Committee decided to focus on the nuisance building rather than the nuisance site.

Councilwoman Hardinger discussed the Community Involvement Committee's decision to focus on the nuisance building. She explained the charge listed in Resolution 10722 was to focus on the dangerous aspects of a building. She noted the Community Involvement Committee decided additional elements, such as the overgrowth issues, could be included as an addendum.

Councilman Jenson agreed the focus should be on the serious life safety issues of a nuisance building. Mr. Gage explained the staff's research would also provide additional information regarding the nuisance site which could be discussed once the charge in Resolution 10722 was satisfied. The Committee members came to the consensus to focus on the dangerous building.

Mr. Rowe provided an overview of Chapter 26, Article III, Section 26-62 - Dangerous, Blighted, and Nuisance Building Code. He discussed the 13 conditions a building or structure would need to constitute a public nuisance, including buildings which were built in violation of the building, plumbing, electrical, fuel gas, and property maintenance or zoning codes of the City.

Councilwoman Hardinger asked if the City had a mechanism in place to evaluate a structure or building unfit for human habitation. Mr. Rowe responded he was unsure, but he would review the building code.

Mr. Rowe discussed the City's current enforcement methods for addressing a building or structure. He provided an overview of the 275-day blighted building process. He noted certain factors, such as court, could cause the process to extend past the 275-days. He discussed the penalty for failure to comply with the order of the Director of BDS. He noted any person who violated the order of the Director of BDS would be "subject to a fine and penalty under Section 1-7 for each day he fails to comply with such order." He further noted, "nothing contained in this section shall limit the liability of any person with respect to any special tax bill issued under Section 26-71." He explained before the City could demolish a building, a special tax bill would need to be filed with the City Attorney.

Councilman Jenson asked if the special tax bill, which would help with the cost recovery by the City, would be applied to the property or to the property owner. Mr. Rowe responded, to his understanding, the special tax bill would apply to the property owner.

Councilman Jenson asked if the fine would only apply after 180 days. Mr. Rowe explained the property owner would be considered not guilty until the finding of fact order was issued. He noted once the order had been issued, then the fine would apply to the property owner.

Councilman Jenson asked if the 180 days would be considered sufficient time for the property owner to create a plan of action to correct the issue. Mr. Rowe responded sufficient time would be given prior to the hearing. He further noted once the order had been issued by the Director of BDS, the City had the right to proceed with boarding the property.

Mr. Gage noted the property owner would have time to create a plan to resolve the issue, initiate the plan, and show progress had been made to correct the issue before a hearing would be conducted. Mr. Rowe agreed. He noted prior to the hearing, the property owner would have ample time to correct the issue and bring the property back into compliance with City Code. He further noted this would allow the property owner time to mitigate any issues which could delay the process.

Councilman Jenson expressed his opinion the fines for failure to comply with the Director of BDS should be applied if no progress had been made on a property within the 180-day period. Mr. Rowe noted if the property owner violated the order given by the Director of BDS, the fines could be levied against the property owner.

Councilman Jenson asked how the City would recover the cost if the special tax bill was levied against the property owner. Mr. Rowe responded a ticket would be issued to the property owner, and the cost would be recovered through the Municipal Court process.

Councilman Jenson asked if there were any State regulations to determine the maximum amount of fine which could be applied. Mr. Rowe responded he was unsure.

Mr. Rowe discussed different strategies the staff reviewed regarding chronic nuisance properties. He noted the goal was to find different approaches towards nuisance properties which would allow the property owner time to abate the issue before the City intervened. He discussed a property on Lynn Avenue, which went through the blighted building process, and was later purchased by a new owner who was able to save the property. He noted staff would have recommendations, such as using a single property-based approach versus owner-based approach, strategic code enforcement, and defining the terms “chronic nuisance property” and “substantial progress,” for the Committee to review in January.

Mayor Pro Tem Simpson discussed Section 74-392 of the City code, which stated if the home or property was the site of repeat criminal activity, the hearing officer could order the property to be vacated for up to a year. He asked if staff considered this provision when researching different approaches to nuisance properties. Mr. Rowe responded Section 74 mainly referred to trash abatements and was not reviewed regarding nuisance property buildings. Mayor Pro Tem Simpson noted Section 74-392 also referenced properties with repeat ordinance violations. Mr. Gage noted staff would further research Section 74-392 and review whether the provisions could be used to address nuisance property buildings.

Councilman Jenson thanked the staff for their work. He agreed the goal for nuisance properties should be to preserve the properties. He discussed the receiver discharge program listed in the State statue under Section 441.600. He noted this provision would allow a city, county, or neighborhood association to obtain possession of a property for the purpose of making improvements. He noted St. Louis, Missouri, and Kansas City, Missouri, had success using this provision to help improve neighborhoods. Mr. Rowe noted he would review the provision.

Councilwoman Horton asked what the most effective manner would be to address nuisance properties based on the approaches suggested by staff. Mr. Rowe responded he was unsure of the most effective approach. He discussed his visit to the Vacant Property Leadership Institute and the strategies other municipalities used, such as escalating fees, strategic code enforcement, and owner versus tenant responsibility, to address nuisance properties. He noted the BDS staff were in the process of reviewing other enforcement methods which could be used to address nuisance properties and would have additional recommendations for the Committee in January.

Councilwoman Horton asked whether a licensing fee could be applied to rental properties. Mr. Rowe responded the charge in Resolution 10722 would address single-family properties, rental properties, and all other property types within the city. Mr. Gage noted he would discuss with the Law Department whether licensing fees could be applied to property owners who operate rental properties.

Councilwoman Horton asked Mr. Rowe if he anticipated any budget changes in the upcoming year, which would help BDS to implement its recommendations. Mr. Rowe responded affirmatively. He noted part of the recommendations included adding a mid-level management position to oversee certain aspects of the nuisance program, which were currently being managed by the Assistant Director of BDS.

Councilwoman Horton expressed her thoughts regarding the importance of exploring funding opportunities to help implement the components recommended by BDS. Mr. Gage reviewed the charge listed in Resolution 10722, which required the City Manager to issue a report regarding the estimated staffing, fiscal impacts, and projected revenues based on the feasibility of the recommendations.

Councilwoman Hardinger suggested finding a strategic way to create partnerships with different organizations and developers to help assist with funding sources. She expressed her opinion creating a strategy which relies mostly on the City would be less successful when working to find funding sources. She noted during the Vacant Property Leadership Institute, municipalities were able to partner with different organizations which lessened the cities' need to rely on the BDS Department to mitigate nuisance issues.

Mr. Rowe noted there were programs used by other municipalities which helped motivate the neighborhood to fix issues such as broken gutters. He noted a special tax bill could be used to reimburse the City for abating certain issues.

Councilman Jenson asked if the City Code would allow the use of a special tax code to recover the cost of abatement. Mr. Rowe responded the City Code would allow for the City to recover the cost of abatement, but due to the lack of contractors, it would not be viable tool for BDS to use at this time.

Mayor Pro Tem Simpson introduced Rusty Worley, Neighborhood Advisory Council, who worked on recommendations to address nuisance properties.

Mr. Worley discussed the use of boarding building fees. He noted boarded buildings were used to address properties which were more prone to squatters, but the fees were only evaluated in the Downtown, Commercial Street, and Boonville corridor areas. He noted, as part of the Neighborhood Advisory Council recommendations, BDS reviewed different ways to work with neighborhood groups to help mitigate nuisance property issues. He further noted the Neighborhood Advisory Council supports the recommendation for additional staffing in the BDS Department to help alleviate nuisance property issues.

Mayor Pro Tem Simpson suggested using different methods to help mitigate criminal activities surrounding a nuisance property. Councilwoman Hardinger and Mr. Rowe discussed their recent visit to the Vacant Lot Leadership Institute. Mr. Rowe explained alternatives to boarding, such as polycarbonate boarding, was used by the different municipalities as a more secure method to board a home. He noted this method would allow first responders to see inside the home and discourage squatters from entering the home. He further noted the Building Development Service Department was working to create a pilot program.

Mayor Pro Tem Simpson thanked the presenters for the meeting discussion.

There being no further business to come before the Committee, Councilwoman Hardinger moved the Finance and Administration Committee hold a closed meeting to discuss confidential or privileged communications between a public governmental body and its auditor, pursuant to Section 610.021 (17), RSMo.; and this meeting, record, and vote be closed and the Finance and Administration Committee stand adjourned at the end of the closed session. Councilwoman Horton seconded the motion, and it was approved by the following vote: Ayes: Jenson, Hardinger, Horton, and Simpson. Nays: None. Absent: None. Abstain: None.

Completed by Lauren Fischer



Approved by the Finance and Administration
Committee on 02-22-24