

BPS Liaison Committee Meeting

January 28, 2019

Attendees: Rich Bradley (BPS), John Kohler (BPS), Vicki LaRose (CDI), Margaret Bruns (EFK Moen), Gino Bernardez (Horner & Shifrin), Tim Nugent (CDG), Srinivas Yanamanamanda (CBB), Ty Sanders (CMT)

1. Introduction – Rich Bradley

2. Mayor Initiatives – 2020 One City

Rich shared copies of the “St. Louis City-County Governance Task Force Report to the Community” with the group. The proposal being studied would bring St. Louis County, municipalities, and St. Louis City into one entity (Metropolitan City). City employees have been told that no city employee would lose their jobs by the Mayor. More information available on their website (<https://www.bettertogetherstl.com/>).

3. Proposed Changes to Professional Service

No changes known at this time.

Discussed the possibility of changing interviews to 2 from 3 as there is a natural break in scores (i.e. the 3rd company is far behind the 1st and 2nd company). All liaisons were in favor of proposal.

4. MSD/St. Louis County Permitting Collaborative

Rich has been included in these discussions. BPS does not plan on investing this effort until the City-County issue has been resolved.

5. Disparity Study Update

The study has not been implemented yet. Mason Tillman is the consultant on the study. Until the study is implemented BPS will remain using the 25%/5% M/WBE goals & DBE only if federal funds. The majority of the changes were construction-related.

6. St. Louis Capital Improvement Program Update

Most of the current bond issues is for maintenance operations and vehicle needs. There will be limited number of RFQ for consultants.

2020 plan to go out for another >\$50M bond for improvements including design opportunities.

Known project need within the City of St. Louis is nearer to \$600-700M (bridge replacements, roadway replacements, etc.).

Trend with winning applications for federal funding through EWG is to go after 1-2 large projects. The city plans on applying for federal funds for:

- Jefferson (NGA)
- Compton
- Lindell/Union Bridge over Forest Park Pkwy
- Southwest /Columbia over UPRR (construction)???

Results of recent requests for consultant services:

- 6 Teams submitted on Compton
- 3 teams submitted I-64 Jefferson interchange
- Airport – 3 teams submitted
- Open End Civil – 6 teams submitted

100M bond for Convention Center – funding unknown at this time.

Airport privatization - being studied at this time.

Upcoming projects:

- ADA Transition Plan: \$1M effort. Coming out around Feb. or March 2019.
- Hamilton Bridge Over Metrolink: \$2.5M project. Coming out around Feb. 2019.
- 20th Street Cycle Track (Market St. to St. Louis Ave.): \$11M construction. Coming out around Oct. 2019.
- Goodfellow Signal Interconnect: \$3.5M construction. City will find out if funded around May 2019.
- Wards Projects – each Alderperson has about \$200K – posted on BPS website as available.

Next Meeting:

Keep to annual meeting with Rich at BPS.

April meeting with SLDC & Airport (Ty & Srinivas to set up).

July/August with Streets, Parks and Water (Margaret, Tim & Vicki to set-up after our April Meeting).



ST. LOUIS CITY-COUNTY GOVERNANCE TASK FORCE REPORT TO THE COMMUNITY

EXECUTIVE SUMMARY

January 2019



A BOLD NEW VISION FOR OUR COMMUNITY

In 2013, at the urging of local civic leaders, Better Together was formed to take a fresh, analytical look at our fragmented community. We at Better Together set out to identify the governmental, economic, and racial barriers that are impeding our community's growth and prosperity. **Our mission has been to promote unity, trust, efficiency, accountability and act as a catalyst to remove those barriers that are impeding our community's ability to truly thrive.**

The purpose of this report is to offer our recommendations for moving our region forward and detail the steps we intend to take to make this bold and exciting shared community vision – five years in the making with the active input and help of more than 10,000 of our neighbors – a reality over the next few years.

The story of St. Louis is about to change for the better as we work together to rid ourselves of the dysfunction and inequity in local government service delivery that has plagued our community for more than a century to become a model, world-class city.

This plan outlines a bold vision to create an efficient, equitable, safer, thriving Metropolitan City that will be the 9th largest in the United States, well positioned to prosper in a global economy.

Working together, we all can build a city that preserves the uniqueness that we all love about St. Louis, while once and for all vanquishing the wasteful divisions that have prevented us from becoming the best version of ourselves as we take our rightful place as one of the truly great cities of the world.

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HOW DID WE GET HERE?

For more than a century, community leaders in both St. Louis City and St. Louis County have recognized that the legacy of the “Great Divorce of 1876” has stood in the way of our community’s ability to thrive. At the time of the divorce, St. Louis was the 4th largest city in the United States and was viewed by many with envy.

It didn’t take long for city leaders to regret the split. Over the course of the last hundred years, civic leaders have made various efforts to undo that fateful decision made 143 years ago. While each of these reconciliation efforts failed, over time our regional problems, including racial disparities and inequities, became even more pronounced.

Today, virtually every resident of our region recognizes that we need to do more to act as one community if we are to compete and excel in a global economy. **The status quo is a recipe for stagnation, decline, and widening disparities within our region.** We risk falling further behind if we don’t make some serious changes to our fragmented governance.

WHILE EACH OF THESE RECONCILIATION EFFORTS FAILED, OVER TIME OUR REGIONAL PROBLEMS, INCLUDING RACIAL DISPARITIES AND INEQUITIES, BECAME EVEN MORE PRONOUNCED.

Community input shows that the desire to compete nationally and globally as a united region is shared nearly universally by everyone in our region. That common desire, however, hasn’t translated into a shared vision.

Until now, we haven’t had a universally accepted path forward to addressing our fragmented status, nor have we been able to agree on defining the problems we collectively face. **Before Better Together began its work, we didn’t even have a shared set of facts we could use to define the issues.**

Little data existed to inform a meaningful discourse about how we could remove the barriers to our region’s growth and prosperity. How can we even agree on what the barriers are without some basic facts?

We embarked on a five-year process to conduct detailed, fact-driven research, while engaging our community. While each of the 115 local governments in St. Louis City and St. Louis County kept some records of how they operated, no central source existed to provide information on the community's spending or the delivery of local government services.

Given our region's history on working to mend our divides, we believed we owed it to ourselves to take our time and do this right by engaging our entire community.

Unlike previous, top-down qualitative attempts to look at regional reform, we approached reform from a grassroots perspective, listening to community leaders and residents alike. Throughout our efforts, we have remained committed to open and direct dialogue with all constituencies and stakeholders for the greater good of our community using fact-driven research.

Over the last five years as we conducted our work, in addition to involving thousands of residents, we sought guidance and insight from practitioners, academic experts, advocates, and stakeholders from across the region. We held 34 public forums, conducted thousands of individual meetings and assembled thoughtful experts around a variety of topics we needed to understand before we could recommend the best course forward for our community.

We knew it wouldn't be easy. A lot of work would have to be done on topics that are not widely understood. We also knew from our community history that not everyone would embrace the effort. We expected to meet resistance along the way.

While some public bodies refused to share data, we did not allow that resistance to deter us from assembling the best possible information we could around the issues that define local government.

We conducted in-depth studies in six key areas of local government service – Public Finance, Economic Development, Public Health, Public Safety, Parks & Recreation, and General Administration in an effort to answer the following basic questions:

1. What is the status quo of service delivery?
2. What are the best practices nationally to deliver those services?
3. How does our region compare to these best practices?
4. What are scenarios for making appropriate changes to enhance the future?

Thanks to the work of more than 10,000 residents, community stakeholders, civic leaders, and volunteers, we learned a lot.

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WHAT WE LEARNED ABOUT OUR LOCAL GOVERNMENT SERVICES

We uncovered some key metrics, starting with the number of local governments and administrative entities, which total 115 across St. Louis City, St. Louis County, 90 municipalities, and 23 Fire Districts. In addition, the communities of St. Louis City and St. Louis County maintained 60 police departments (55 today), 20 municipal fire departments, and 81 municipal courts.

Taken together, St. Louis spent \$2.3 billion annually to operate and administer these governments, with an estimated \$750 million excess dollars spent annually due to inefficiencies or duplication. The region supports 684 local elected officials who have produced over 52,000 pages of ordinances.

Here are some additional findings from our in-depth studies in the six key areas of local government service.

PUBLIC FINANCE

Our region spends in excess of \$2.3 billion annually for local government services. Approximately \$1.6 billion of that spending comes from local taxes, with the remainder coming in the form of fees. We found that fragmentation serves as a structural impediment to community reinvestment given that some small communities lack resources to access capital debt markets.

ECONOMIC DEVELOPMENT

An ongoing obstacle for growth in the region is the inconsistent relationship between the City of St. Louis and St. Louis County. This coupled with internal competition between municipalities in the county have stood in the way of regional progress. Internal competition over development has cost our community, with examples of local governments competing for local retail, bidding up subsidies used for redevelopment. \$2 billion in public tax dollars have been diverted to developers through Tax Increment Financing (TIF).

There is a lack of regional cooperation on workforce diversity standards that undermines the policy's goals. The complexity of business licensing and inspection stands in the way of being more business-friendly (for example, there are more than 90 ways to license a business in our region).

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PUBLIC HEALTH

Disease knows no boundaries, and neither should our approach to public health. We learned that where you live in St. Louis has a profound impact on your health, with residents of zip codes separated by a few miles having up to an 18-year difference in life expectancy because

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of considerable residential segregation. St. Louis County and the City of St. Louis (acting as a county) both have independent health departments. The City depends on grants for more than half of its \$24 million budget, while St. Louis County spends \$57 million, with the vast majority of its funding from a dedicated property tax. A unified approach to public health would better allow us to address known issues like the growing opioid crisis, the significant health disparities between black and white St. Louisans, and the high rates of sexually transmitted infections.

PUBLIC SAFETY

Our studies revealed significant opportunities to reimagine a public safety system that delivers justice more efficiently and equitably for everyone in our region.

MUNICIPAL COURTS – On average, Missouri judicial circuits contain 8.6 municipal court divisions. The 21st Circuit (St. Louis County) contains 81 separate municipal divisions. Municipal court fees in St. Louis City and County account for 46% of all fines and fees collected statewide, despite being only 22% of the population. 21 municipalities in St. Louis County produced over 20% of their operating budgets from fines and fees. 20 of these communities are located north of Olive Boulevard and east of I-270 in St. Louis County, with 62% African-American population.

Through their courts, municipalities are imposing “hidden taxes” on disproportionately African-American and disproportionately poor residents.

POLICING – Today, there are 55 separate police departments covering St. Louis City and County. \$468 million was spent on policing the area in 2015, or \$355.20 per capita. Costs in cities such as Indianapolis, IN (\$242.02 per capita) and Louisville, KY (\$257.06 per capita) depict substantial savings in areas with one unified police department. Beyond the cost is the inconsistent quality of service. 75% of the departments in our region lack accreditation.

Training, equipment and compensation varies greatly from department to department. The region utilizes 21 separate emergency dispatches. Fragmentation undermines effective policing, creating inefficiencies, and contributes to a lack of a coordinated regional response.

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FIRE SAFETY in the region, much like policing, is a fragmented, decentralized hodgepodge of providers. In St. Louis County, fire protection is carried out through 42 municipal departments or fire protection districts. Through mutual aid agreements there is a high level of cooperation among entities, but inconsistencies in equipment, training, and compensation.

PARKS

We spend \$117 million on 470 parks covering 16,420 acres. The park system is subject to the same fragmentation concerns seen with other governmental services. However, there are positive examples of pooled services and cooperation such as the Parks and Recreation Cooperative (PARC) developed by Brentwood, Maplewood and Richmond Heights, as well as the Municipal Park Grant Commission administered by St. Louis County that disperses \$33 million to 69 municipalities through over 237 grants annually.

GENERAL ADMINISTRATION

This area represents some of the greatest levels of waste and duplication. We spend \$281,078,709 or \$213.16 per person to simply administer government. This compares most unfavorably to Louisville, Kentucky, which spends \$126.73 per person for administrative costs. Further increasing the burden of local government is how we have come to pay for it – through sales taxes.

As a result, municipalities compete with one another over sales tax revenue. Today, 36.7% of all municipal revenues are derived from the sales tax. Thriving cities like Indianapolis and Louisville have no such structure. Three of the ten wealthiest municipalities within St. Louis County receive so much in sales tax that they levy no property tax. This means that these communities are taxing all residents of our region to pay the costs of operating their local government, furthering inequities in our community.

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WHAT WE LEARNED ABOUT OUR WILL TO CHANGE & OUR SHARED VALUES

As we navigated this process, we listened closely. We learned from our neighbors, and shared community values emerged.

If we were starting from scratch, few would argue that we would design a community that looks like it does today...with 115 local governments providing inequitable services in our region. But the fact is that we are not starting from scratch. We are where we are as a region.

We heard that while we have some serious problems, there is still much to love about our community. The St. Louis community is a special place, with a unique culture and shared values. That message came through loud and clear from everyone we heard from. It didn't matter where they went to high school or the zip code where they lived.

Many in our region live in municipalities and neighborhoods that have long, rich histories and their own unique cultural identities. While we recognize the varied and sometimes contentious origins of some municipalities, people of all backgrounds continued to express their affection for the unique identities found in their neighborhoods and municipalities. **We owe it to ourselves to embrace the best parts of these cultural identities, while ensuring discriminating and exclusionary practices of the past do not continue.**

We want to preserve the best elements that form the beautiful tapestry that is St. Louis. Thanksgiving wouldn't be the same in St. Louis without the Ferguson Northern Lights Festival or the Kirkwood – Webster Groves rivalry playing out on the gridiron. Things like the Annie Malone parade, the Hibernian St. Patrick's Day parade in Dogtown, Affton Days, Brentwood Days and the Valley of the Flowers Festival are what give us a deep sense of community that bonds us all together.

As we engaged our community, we consistently heard a recognition that we must change and that the status quo isn't working for everyone. **We also heard a fundamental, shared belief expressed that we are stronger when we work as one region.**

There was an equally strong sentiment expressed that we all want to keep what makes us unique, while fixing what is wrong.

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What is lacking from our current structure of governance is an inability to formulate and execute a shared vision for the region, as well as to work collectively to address some of the most challenging policy issues such as crime, public health, economic development and racial disparities.

In 2016, we sought to understand the common threads that ran through the six study areas, developing a report entitled, *The Will to Change*, which answered the question of **“Why does a region with world-class resources struggle to thrive?”**

The answer is that our region’s outdated and obsolete fragmented structure of governance holds us back. We found that in addition to the expensive nature of the status quo (we are spending \$750 million more a year than necessary), there are harmful byproducts of our fragmentation including:

- A system focused on internal competition over regional growth;
- A disparity in services and the allocation of resources that results from fragmentation and internal competition; and,
- An inability to formulate and execute a shared vision for regional success

As a follow up to this report, during the spring of 2017, with the support of Mayor Lyda Krewson and St. Louis County Executive Steve Stenger, we formed a citizen-led task force to provide an independent perspective and offer recommendations on how our community might address its fragmented structure of governance.

We are very grateful to Suzanne Sitherwood (President & CEO of Spire), Dr. Will Ross (Associate Dean for Diversity & Professor of Medicine at Washington University School of Medicine), Arindam Kar (Partner at Bryan Cave Leighton Paisner, LLP), Joe Adorjan (Chairman of ADVEN Capital Partners) and Kira Van Niel (Program Manager at the Boeing Company) for their hard work and thoughtful efforts on behalf of our community.

The Task force made it clear immediately that it would support more equitable access to, and delivery of, government services to everyone in our community. Informed by four years of research and data, their mission was to go beyond facts and figures by engaging our community in a yearlong dialogue.

City-County Governance Task Force In Person & Online Town Hall Surveys

- 82% think it is likely or very that fragmentation impacts regional economic growth.
- 84% think it is likely or very likely that fragmentation impacts the financial stability and sustainability of some municipalities.
- 80% think if all municipalities are stronger, their municipality would also benefit.
- 88% think it is important or very important for all residents to receive consistent service quality and professionalism.
- 24% felt all services should be considered for possible reorganization.
- Police services were identified as the top service to be evaluated for reorganization.
- Only 4% of respondents felt that no services should be assessed or evaluated for possible reorganization.

The Task Force is incredibly grateful to the more than 2,500 individuals who engaged and provided input through in-person town halls, online surveys, one-on-one meetings, and community events. In addition to this critical community input and the prior work of Better Together, the Task Force also tapped the Ferguson Commission Calls to Action and the For the Sake of All (now Health Equity Works) report on health disparities in shaping the ultimate recommendations.

These reports outlined unacceptable disparities in outcomes by race and offered tangible actions to help achieve racial equity. Recognizing that the reports emerged from processes that engaged thousands of thoughtful St. Louisans with openness and transparency, the Task Force embraced the goals of these reports as core pillars of their own mission.

The Task Force felt it was important to honor the community engagement of the more than 10,000 citizens who sought to move our region forward by participating in these collective efforts.

The community input revealed that there was deep interest in change that would better the entire region. It became evident that a systems' change – a change to the structure that services are equitably accessed by and delivered to citizens – was the only way to achieve meaningful reform.

The Task Force felt strongly that they must identify a local government structure that had the greatest capacity to address our disparities and implement good public policy on behalf of everyone in our community, including the historically underserved.

With these principles in mind, the City-County Governance Task Force analyzed a variety of forms of government including (1) the status quo structure, (2) St. Louis City re-entering St. Louis County as an 89th municipality, (3) former St. Louis County Executive Gene McNary's Borough's plan, (4) a Metro City structure similar to that of Louisville, Kentucky, and (5) a Unigov model based on Indianapolis, Indiana (with the understanding that neither the Metro Louisville nor the Unigov model could be simply replicated as a model for St. Louis). The Task Force followed a detailed and thoughtful process to evaluate each option utilizing visual grids that listed recommendations from the core pillar reports and community input.

The Task Force examined the key question:

What structure of government best lends itself to the enacting reforms that citizens in our region have called for in these reports, surveys, public forums and face-to-face meetings?

With every decision that was made regarding potential government reforms, the Task Force analyzed (1) who benefits from the proposed change, and (2) whether the outcomes of the proposed change truly benefit the community it was intended to impact. In other words, did the proposed structure help, hinder or simply perpetuate the status quo?

The key takeaways became quite clear:

- **Be bold and transformative** – incrementalism does not address the severity of the issues the region faces.
- **Create a government with a strong executive** to ensure we are able formulate and execute a shared vision for the region
- **Have a significantly-sized legislative body with leadership elected from within** to ensure adequate representation of citizens, provide opportunities for diversity in the body, provide for appropriately deliberative debate on key issue. Having leadership elected from within the body creates an environment where legislative leadership is more likely to have positive working relationships with fellow legislators and increased opportunity for the election of minority representatives to leadership roles.
- **Ensure the legislative body is professional and well-staffed.** It is important the body have adequate resources to handle constituent services and relevant policy work.
- **Create a government with a modern structure that is conducive to continued modification as necessary.** The needs of citizens are subject to over time, so it is important that the government be nimble and responsive.
- **Develop a government and tax structure in which everyone is incentivized to work for the economic growth of the whole,** not the success of a part of the community at the expense of the whole.

Finally, the insights gained and lessons learned from the studies and community engagement led to four core principles that honor what our community values and wants to see with reform.

1. A unified approach to government economic development
2. A unified approach to public safety
3. More efficient use of tax dollars
4. Maintain our community cultural identities and create a structure that supports more equitable access to and delivery of government services to everyone in our community

Using these principals as a guide, the City-County Governance Task Force offered the following recommendations on our path forward as a community that we with Better Together accept and will work to make a reality.



THE PATH FORWARD – ESTABLISH A METROPOLITAN CITY – THE 9TH LARGEST IN THE US

We recommended the creation of a new class of local government in the state of Missouri called a Metropolitan City. The new government would encompass the current geographic boundaries of the City of St. Louis and St. Louis County with a population of over 1.3 million residents, making it the 9th most populated city in the United States.

The new Metro City will equitably administer public safety, municipal courts, planning & zoning, and economic development. Current municipalities within St. Louis County will be preserved as municipal districts with newly limited authority.

School districts, fire protection, and all other political subdivisions would continue, largely unaffected.

What follows are the details and highlights:

GOVERNANCE

In accordance with the lessons learned from the best practice research, we recommend the new Metro City be governed by an elected Metro Mayor and a 33-member Metro Council, whose members represent districts drawn by a nonpartisan expert to the one-person, one-vote standard, and initially approved by the St. Louis County Council and St. Louis Board of Alderman during the interim government transition period (January 1, 2021 – December 31, 2022).

The Metro City will also have one elected prosecuting attorney and one elected assessor.

All duties of the current Mayor of the City of St. Louis and the St. Louis County Executive will transfer to the new Metro Mayor. Other administrative functions, such as the recording of deeds and collection of revenues, will be performed through appointed administrative offices.

At 33 members, the Metro Council is a large enough legislative body for coalitions to form and healthy debate to take place. With just over 40,000 residents per council district, each district will be slightly larger than the current districts for the Missouri House of Representatives.

By recommending a larger council, the region is assured ample opportunity to elect a legislative body reflective of the demographics of the region it will serve. Each Metro Council member should have at least two professional staff members to aide in serving constituent needs and handling policy research.

Metro Council leadership will be elected from within the body to ensure that the leadership has a good working relationship with its members and further enhancing the opportunity for minority voices to rise to leadership positions within the council.

We recommend the creation of four deputy Mayor Positions to have responsibilities to oversee the successful, equitable access to, and delivery of, service to the specified area. These include the Deputy Mayor for Community Engagement and Equity, the Deputy Mayor for Economic Development and Innovation, the Deputy Mayor for Public Health and Safety, and the Deputy Mayor for Community Development and Housing.

ECONOMIC DEVELOPMENT

We recommend centralized and streamlined business licensing to reduce barriers to entry for businesses of all sizes. The unified Metro City should develop a single comprehensive economic development plan for the region.

PLANNING & ZONING

We recommend the creation of a strong, centralized regional planning and zoning department to facilitate the development of a comprehensive, cohesive, inclusionary and equitable approach to the community's housing, land use and development practices. The department's comprehensive land use plan should be done in concert with the Metro City's economic development plan. Recognizing that zoning and adjustment decisions may have an outsized effect on a community at the hyper-local level and lack any potential exclusionary impact, these decisions will begin consideration and analysis at the municipal district level before a more regional and potentially objective lens may be applied by the Metro City.

PUBLIC SAFETY

We recommend one professional, accredited police department provide police services equitably throughout the Metro City. One department can be held accountable, with oversight, by all of the Metro City's citizens, while also providing the best-practice level of neighborhood community policing that residents and police crave.

MUNICIPAL COURTS

We recommend a single municipal court system for the entire Metro City. These courts will be full-time and professionally staffed with satellite locations for convenience to the residents. Attorneys serving in these courts will no longer be asked to serve multiple roles, eliminating any appearances of conflicts of interest. We recommend one prosecuting attorney for the Metro City. We also recommend that the 21st and 22nd Judicial Circuits be combined to form a single circuit. A single circuit court would help to facilitate criminal justice reforms and provide a jury pool more reflective of the community.

FIRE SAFETY

We recommend that the City of St. Louis 's fire department become a fire protection district and all other fire services continue to be delivered in their current manner. Admittedly, this is a difficult recommendation for us to make, but we believe that reform of this scale must, in part, include dealing with art of the possible. We recognize that not all desired reforms can be accomplished in a single effort.

Fire safety presents a complicated landscape, paired with greater disparity in employee pay and benefits, than across the other service areas, which ultimately makes the creation of a single department too costly to be attainable in the short-term. However, it is entirely consistent with

the experiences of other regions that fire protection would be a candidate for future consolidation efforts in subsequent years depending on community input to the Metro City government.

MUNICIPAL DISTRICTS – PRESERVING OUR LOCAL MUNICIPALITIES & CULTURE

As discussed above, one of the consistent messages we heard from residents across our community was regarding the uniqueness of the communities in St. Louis and the desire to promote regionalism while also preserving the cultural identities of those communities. Preserving our unique cultural identities became a value that guided our recommendation to develop a new form of government. We worked toward a recommendation that could reap the benefits of a more equitable, regional governance structure, while maintaining the sense of identity in these communities, many of which of been in place for more than a century.

We recommend that current municipalities in St. Louis County be maintained, but reclassified, as municipal districts of the Metro City with limited authority to deliver select services for their constituents.

These municipal districts would have the authority, but not the obligation, to offer services in the areas of fire protection, parks and recreation, trash and recycling, general administrative functions, and any other services desired by citizens but not provided by the Metro City government. Municipal districts would not be able to provide police departments or municipal courts. Further, the general sales tax revenue will be collected on a Metro City-wide basis to support services provided regionally by the Metro City.

Municipal district operations would be funded through local property taxes, utility taxes, and fees for service collected within the district. Sales taxes dedicated for services not provided by the Metro City or designated to the repayment of current debt – including for existing special taxing districts such as Transportation Development Districts or Tax Increment Financing districts – will stay with the municipal district to meet those obligations.

FINANCES

Our analysis identified \$750 million in excess spending annually for government services under our current structure. As our recommendations leave fire protection districts untouched and municipalities largely intact, we don't expect to reap the full measure of those savings. However, we estimate revenues to Metro City would exceed expenses by approximately \$250 million. We recommend the initial property tax for the Metro City be lower than the current St. Louis County rate. Additionally, the earnings tax in the current City of St. Louis will be phased-out, according to established state law, by ten percent each year. Following anticipated accelerated debt payments, City taxpayers are expected to begin seeing dramatic tax relief within five years post-transition.

All outstanding financial liabilities would remain with the municipal districts in which they were incurred. This will include, but not be limited to, general obligation debts, special taxing district debts, and pension liabilities. These debts will be paid utilizing existing revenues collected within a given municipal district.

To ensure outstanding obligations of the City of St. Louis are satisfied by taxpayers where they were incurred, we recommend the current City of St. Louis remains as a municipal corporation to service debt and outstanding financial obligations. Based on current City debts and revenues, all St. Louis obligations could be retired within seven years of enactment.

AMENDING THE CONSTITUTION

Forming a Metropolitan City that retains existing municipalities as Municipal Districts requires a statewide vote to amend the Missouri Constitution.

A statewide vote to amend the Missouri Constitution is necessary to create the new forms of government – the Metropolitan City and its municipal districts—in the place of existing, constitutionally-defined governments and in order to implement the recommended reforms. We recognize there is some confusion about the process.

The normal way to amend the Missouri Constitution is through a statewide vote. The Missouri Constitution does include a narrow exception that provides an alternative path for modifying the severed relationship between St. Louis City and St. Louis through a Board of Freeholder process that would limit the public vote to the City and County. This has been one of the processes followed in the past; however, it is unavailable to establish the new forms of government and fully implement the recommended reforms.

A Board of Freeholders Plan cannot supersede generally-applicable inconsistent state laws or constitutional provisions. This would limit significantly, if not eliminate, the ability of such a plan to adopt recommended reforms related to public safety, courts, tax, and municipalities, and limit our ability to provide new and innovative government structures that provide flexibility for continued change, while also maintaining and preserving community identity.

Our recommendation ultimately dictated the path we must follow. The desire to address government functions regulated by general state law and the Missouri Constitution – such as police and courts – paired with the value of maintaining local communities while capturing the benefits of regional service delivery, called for the creation of new and innovative forms of government—the Metro City and municipal districts—that necessitate a constitutional amendment, which can be adopted only through a statewide vote.

We recommend that the constitutional amendment be put to a vote of the people in the November 2020 election. If it is adopted by the voters, a two-year transition period will begin on January 1, 2021. This transition government will be led by the elected heads of the two combining counties of the City of St. Louis (Mayor) and St. Louis County (County Executive).

The transition government will carry out functions necessary to continue providing services to the region and to formulate the governing institutions called for under the initiative, with active and substantive citizen input.

Local elections would be suspended from January 1, 2021 until the first elections are held for the new Metro City in November 2022.



REIMAGINING A BETTER ST. LOUIS COMMUNITY – WE WILL BE STRONGER TOGETHER

The publication of these recommendations begins a new phase for our shared effort to improve our community. Throughout 2019 and 2020, we will embark on a robust effort to educate the community on the current status of our local governments and the opportunity we have to build a better, more equitable community together.

Over the next 19 months, every St. Louisan will have ample opportunity to learn more, engage in this critical dialogue and make an informed decision in November 2020. We ask that you approach these recommendations with an open mind and join us in imagining a region no longer constrained by the decisions that community leaders made 143 years ago to divide us.

Imagine a community that does not put up boundaries in an effort to keep others out.

Imagine a community that works together to tackle challenges and seize opportunities.

Imagine a community that is growing and thriving.

Imagine a world-class city we can all be proud to call home that competes on a national and an international stage.

Imagine a safer, more prosperous, more secure city that takes care of everyone equitably and where everyone has the opportunity to achieve.

TOGETHER, WE CAN GET TO THIS REIMAGINED ST. LOUIS.



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