

BETTER TOGETHER PROPOSAL

Based on Version 3: Dated March 25, 2019

Presentation April 29, 2019 -
City Administrator, Des Peres v.3



CAVEAT...

- ▶ This presentation was originally prepared based upon the Better Together Report dated January 2019 issued on January 25, 2019 and
- ▶ The ballot proposition has been evolving since its first filing:
 - ▶ #2020-039 filed January 25, 2019 (Withdrawn)
 - ▶ #2020-042 filed February 11, 2019 (Withdrawn)
 - ▶ #2020-054 filed March 25, 2019
- ▶ This presentation has been updated to include substantive changes by Better Together in their resubmittal of the initiative petition to the Secretary of State on March 25, 2019
- ▶ This presentation is an interpretation of the provisions of the 30 page constitutional amendment with over 1,300 lines of text and 50,000 words

INITIATIVE PETITION PROCESS

- ▶ **BETTER TOGETHER INITIATIVE PROCESS**
 - ▶ File Proposed Initiative with Secretary of State's Office - March 26, 2019
 - ▶ Approval of Ballot Language & Petition Form by SOS
 - ▶ Issuance of Fiscal Note by State Auditor's Office
 - ▶ Approval of Ballot Language & Petition Form by SOS Office
 - ▶ Collection of Signatures by Petitioner can then begin
 - ▶ 8.0% of voters in last governors election in 6 of 8 congressional districts
 - ▶ 160,200 signatures required statewide
 - ▶ Certification of Ballot Measure
 - ▶ Election - November 2020

“BALLOT MEASURES”

	2018		2020 YTD	
Filed with Sec of State	371		61	
Approved for Circulation	148	39.9%	18	29.5%
Petitions with Signatures Actually Submitted for Review	7	1.7% Original Petition 4.7% Petitions Approved for Circulation		
Approved as Ballot Measure	6	4.1% Petitions Approved for Circulation 85.7% Petitions Submitted with Signatures		

OBSERVATIONS ABOUT THE PROPOSAL - WHY A CONSTITUTIONAL AMENDMENT?

- ▶ The primary purpose of the Constitution is to **provide a sense of direction or a framework to the organization of the Government**. Legislative action is then required to establish general laws governing structures, powers etc... that can change over time to meet needs and challenges
- ▶ US CONSTITUTION comprised less than 5,000 words and has been amended only 27 times since its adoption
- ▶ MISSOURI CONSTITUTION comprised of 65,000 words and has been amended over 200 times since its adoption
- ▶ BETTER TOGETHER CONSTITUTIONAL AMENDMENT - over 50,000 words

MISSOURI CONSTITUTION RELATING TO FORMATION OF CITIES

- ▶ The sum total of language in the current constitution regarding creation of cities:
 - ▶ Article VI. Section 15 - The General Assembly shall provide by general laws for the organization and classification of cities and towns. The number of such classes shall not exceed 4 and the powers of each class shall be defined by general laws so that all such municipal corporations of the same class shall possess the same powers and be subject to the same restrictions.
- ▶ General Laws provide for city classifications of:
 - ▶ Chapter 77, 3rd Class Cities
 - ▶ Chapter 79, 4th Class Cities
 - ▶ Chapter 80 Towns and Villages
 - ▶ Chapter 82 Home Rules Cities
- ▶ This proposal adds a 5th class of city (METROPOLITAN CITY), details its structure and powers and exempts those elements from review or change by the General Assembly as a general law or from local review as a part of the city charter

BETTER TOGETHER PROPOSAL METROPOLITAN CITY OF ST LOUIS

- ▶ The Better Together Proposed Constitutional Amendment contains an EXTRAORDINARY AMOUNT OF DETAIL
 - ▶ ie... the Mayor shall appoint a minimum of 4 Deputy Mayors who serve at the pleasure of the Mayor and whose responsibilities are established by ordinance or executive order:
 - ▶ Deputy Mayor for Public Health & Safety
 - ▶ Deputy Mayor for Economic Development and Innovation
 - ▶ Deputy Mayor for Community Development and Housing
 - ▶ Deputy Mayor for Community Engagement and Diversity
 - ▶ ie... the Metropolitan Council shall be composed of 33 members
- ▶ How do you amend the governance of the Metropolitan City to adapt to changes over time?

Only with another statewide vote to amend the details of the constitution!

BETTER TOGETHER PROPOSAL

THE BROAD STROKES

- ▶ Calls for **Statewide Vote** on Constitutional Amendment in November 2020
 - ▶ Creates a new class of city - “A Metropolitan City”
 - ▶ Merges St Louis City & St Louis County as a Metropolitan City - Population 1.3 million
 - ▶ Cities in St Louis County abolished as cities and become “Municipal Divisions” of the Metropolitan City
- ▶ Subject to approval by Statewide Vote not a Local Vote
 - ▶ Registered Voters in Missouri 4,194,233 (2,442,306 voted in 2018 in State of Missouri)
 - ▶ Registered Voters in St Louis City (221,750); in St Louis County (752,750)
- ▶ Effective Date is January 1, 2021
 - ▶ Transition Period of Two Year to Full Political Implementation in January 2023
 - ▶ First elections in for Metropolitan City Council in November 2022, Take Office January 2023

METROPOLITAN CITY OF ST LOUIS

- ▶ New Government to be called “Metropolitan City of St Louis” will have all powers and duties without limitation of:
 - ▶ A Constitutional Charter County,
 - ▶ A Constitutional Charter City including a “city not within a county”.
 - ▶ Any powers granted to any municipality in the State of Missouri Seat of Government shall be located within current limits of City of St Louis
- ▶ Partisan Elections for all positions in Metropolitan City headed by elected Mayor
- ▶ Metropolitan City Council Composed of 33 elected Councilmen by districts
- ▶ Prosecutor and Assessor Independently Elected at large
- ▶ During the Transition - St Louis County Officials designated Interim Mayor, Prosecutor & Assessor; Mayor of St Louis to be “Transitional Mayor” who jointly with the Interim Mayor (County Executive) shall constitute “the chief executive officer of the Metropolitan City”.

METRO CITY GOVERNED BY CHARTER

- ▶ EXCEPT AS OTHERWISE PRESCRIBED IN THE CONSTITUTIONAL AMENDMENT, THE METROPOLITAN CITY SHALL BE GOVERNED BY A LOCAL CHARTER
- ▶ Initial Charter to be current Charter for St Louis County
- ▶ During the transition period - the Mayor & Transition Mayor shall solicit public input and jointly present a “plan” (Charter?) for the Metropolitan City.
- ▶ The Plan shall be submitted to the Metropolitan Council and shall effective within 30 days UNLESS DISAPPROVED by resolution adopted by 2/3^{rds} of the members of the Metro Council. **Basically, a charter by executive order!**
- ▶ Any subsequent amendments to the new Charter proposed by Ordinance of the Metro Council will **require a 2/3 vote of the electorate.**

METRO MAYOR

- ▶ Is a very “strong Mayor” form of government
- ▶ Mayor appoints all department heads who serve at the pleasure of the Mayor and are not subject to confirmation by the City Council
- ▶ Mayor appoints all members of boards and commissions
- ▶ Mayor to have line-item veto authority over budget a
- ▶ Mayor can sequester funds appropriated by the Metro Council

METRO COUNCIL

- ▶ 33 Members elected by district (roughly 40,000 residents in each ward)
 - ▶ Kirkwood, Glendale, Des Peres combined =41,833
- ▶ Each Council member by the terms of the constitutional amendment to to have at least two full time staff members.
- ▶ Creation of initial District Boundaries set by a committee jointly appointed by the Mayor and Transition Mayor
- ▶ President of Metro Council to be elected by members of Metro Council from among its members and serve as head of the legislative branch.
- ▶ Vacancies in Metro Council - by appointment by President of Metro Council

PLAN CREATES MUNICIPAL DISTRICTS

- ▶ All 88 existing municipalities in St Louis County to become “municipal districts”
- ▶ Governing body of existing municipalities at time of adoption of plan (January 2021) to be governing body of municipal districts in office on 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 by the Metro City. 2021 budget to be same as 2019 budget
- ▶ Taxes or fees proposed for municipal districts to be submitted for approval of Metro Council prior to submittal to voters

DO NOT CONFUSE “COUNCIL DISTRICTS” WITH “MUNICIPAL DISTRICTS”

- ▶ Council Districts (essentially Wards) - 33
 - ▶ 1 Councilman per district
 - ▶ Roughly 40,000 population each district
 - ▶ This is the Governing Body (Legislature) of the Metropolitan City
 - ▶ Initial district boundaries set by a professor(s) from local universities appointed jointly by the Mayor and Transition Mayor. Plan submitted for review by the legislative bodies of the count and St Louis Municipal Corporation and such plan shall be deemed to be approved unless both governing bodies adopt an identical districting *plan by December 31, 2021.*
- ▶ Municipal Districts
 - ▶ All 88 cities in St Louis County become Municipal Districts of the Metro City
 - ▶ We will be called the **Des Peres Municipal District**
 - ▶ A municipal district will continue to have a “Mayor” and “Board”
 - ▶ A municipal district is not a city but a sub-district of the Metro City with very limited powers over taxing, budgeting and municipal district services subject to review and approval by the Metropolitan City

METROPOLITAN CITY OF ST LOUIS PROVIDES “GENERAL CITY SERVICES”

- ▶ “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 & things
 - ▶ Transportation, Infrastructure and Public Works;
 - ▶ Economic Development
- ▶ Metro City also responsible for all traditional county functions
 - ▶ Jails, Courts, Health, Property Assessment & Tax Collection, Recorder of Deeds

MUNICIPAL DISTRICTS OF METRO CITY TO PROVIDE MUNICIPAL DISTRICT SERVICES

- ▶ “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;
 - ▶ Proprietary and Enterprise Functions of the municipality; (Interpreted to mean Utilities and Trash/Recycling)
 - ▶ Administration of the Municipal District
- ▶ “Municipal Districts” to remain financially responsible for all outstanding obligations which has been defined include bonds, notes, capital leases and similar obligations which also includes pension liabilities
- ▶ Municipal Districts required to continue providing General District Services until taken over by Metro City

MUNICIPAL DISTRICTS

- ▶ A municipality shall continue its corporate existence as a “municipal district” but not as a “city”.
- ▶ The boundaries of the “municipal district” may not be altered or changed except as provided by ordinance of the Metro City. Following the transition period, a municipal district may merge or consolidate with another municipal district or may be dissolved as authorized by ordinance of the Metro City.
- ▶ The governing body of the “municipal district” shall be the governing body of the existing municipality... until the Municipal Elections in April 2023
- ▶ The governing body shall serving as the Plan Commission (not to be confused with the Zoning Commission) and Board of Adjustment for Metro City (for their district?)
- ▶ 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 District.”
- ▶ Governing body of St Louis Municipal Corporation to be composed of 5 members appointed by the transition mayor. Initial board appointed with 3 for a 3 year term and 2 for a 2 year term.
- ▶ Following transition period, successors on the governing body to be appointed by the Mayor of the Metropolitan City.
- ▶ Provide for the provision of municipal district services not provided by Metro City
- ▶ Fire-EMS Services not a responsibility of St Louis Municipal Corporation. Effective January 1, 2023, the St Louis Fire Protection District is created for the area currently served by the St Louis City Fire Department. Initial board of directors to be appointed by Transitional Mayor (of St Louis) and to be elected at 2023.

PROPERTY TO BE TRANSFERRED TO METRO CITY WITHOUT COMPENSATION

- ▶ Property, contracts, records and personnel of a municipal district relating to 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
- ▶ Municipal reserves specifically excluded from term “property”

FINANCING OF SERVICES

BROAD STROKES

- ▶ General District Services of the Metropolitan City to funded primarily from sales taxes.
 - ▶ Metro City also has authority to levy any tax authorized by law for any county or city including property tax citywide and utility tax (in areas not within a municipal district)
- ▶ Municipal District Services to be funded primarily from property taxes levied within the area of the district.
 - ▶ Municipal District also empowered to levy gross receipts tax on utilities within the district area and user fees relating to services being provided

FINANCING OF SERVICES

- ▶ Earnings Tax in City of St Louis to be phased out over 10 year period
 - ▶ Currently generates over \$250 million per year
 - ▶ During that 10 year phase out period earnings taxes will be used to accelerate debt service payments on the \$950 million debt of the City of St Louis in addition to funding general district services during the transition period.
- ▶ Existing taxes in municipal districts to remain at current levels at least thru transition 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 including general services provided by the Metro City.

In other words - if you are not happy with the level of general services provided by Metro City, you can pay more taxes to buy more services from Metro City!

FINANCES - GENERALLY

- ▶ All taxes, including sales taxes, levied by the municipalities to remain in place during the transition and become taxes of the Metropolitan City representing a tax shift of over \$335,000,000 per year in sales taxes
 - ▶ Cities in St Louis County already share \$30.4 million in sales tax revenues with each other and St Louis County (Des Peres shared \$2.59 million in sales & use taxes in 2018)
- ▶ Property Tax levied by St Louis County for general county government purposes to be reduced by 50.0% and the county tax rate extended to the City of St Louis
- ▶ Property tax levied by the City of St Louis for general purposes to be eliminated - they will begin paying the reduced St Louis County tax rate for general county purposes

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 as municipal district services with its territory or 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 fund 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...

NECESSARY

- ▶ Who will determined what amount is necessary?
 - ▶ The Transition Mayors in 2021, 2022?
 - ▶ The Metro Mayor in 2023? The 33 member Metro Council in 2023?
 - ▶ Ultimately, The Courts?

REVENUES LOST BY THE MUNICIPAL DISTRICTS TO THE METRO CITY

- ▶ Earnings Taxes in the City of St Louis to go to Metro City but to be phased out over 10 years.
- ▶ Sales & Use Taxes imposed by the Municipality to remain in effect BUT REDIRECTED to Metro City from existing municipalities
- ▶ Any taxes shared with “Cities”; County Road & Bridge Refund & Cigarette Tax; State Gasoline, Motor Vehicle and Motor Vehicle Fees to go to Metro City
- ▶ Municipal Court Revenues to go to Metro City
- ▶ Revenues from Business Licenses to go to Metro City
- ▶ Revenues from Land Use Regulations to go to Metro City
- ▶ Building Permit & Inspection Fees to go to Metro City

SERVICES SHIFTED TO METRO CITY FROM CURRENT CITIES

- ▶ Economic Development
- ▶ Police
- ▶ Emergency Dispatching
- ▶ Emergency Management & Recovery
- ▶ Street, Road & Bridge Maintenance
- ▶ Building Code Permits & Enforcement
- ▶ Zoning Authority and Regulations
- ▶ Licensing and Regulation of Businesses