

Issues that Led to the Pursuit of Proposition A

Lack of Diversity in City Revenue

- ✿ Unlike some cities, Frontenac is fortunate to have a strong commercial revenue base. Most of the City's revenues are generated from sales tax, with over 70% of total sales tax coming from Plaza Frontenac alone.
- ✿ This overreliance on sales tax creates an unstable revenue stream, as evidenced in 2020.
- ✿ Even if sales return to normal faster than projected, another more stable revenue source is needed.

Impact of COVID on Frontenac Revenue

- ✿ Frontenac lost approximately \$1,000,000 in revenue due to the pandemic.
 - A revenue loss averaging \$64,000+ per month
- ✿ No essential businesses meant most Frontenac businesses were closed during the pandemic, including new businesses like Lifetime Fitness and hospitality services like the Hilton Hotel and banquet services.
- ✿ Other new businesses were unable to open, including Uncle Julios planned in Q4 2019, opened in the end of Q1 2021 and 801 Local now planned to open in Q4 2021.
- ✿ COVID funds from the State and Federal government focused on individuals and businesses, not municipalities - no funds to replace lost municipal sales tax revenue.
 - Pandemic funds have covered most COVID related expenses: overtime, first responder testing, and infection control measures to date.

Little Room to Further Reduce Expenses

Strategic plan initiated in 2019 controlled/reduced expenses in each department.

- ✿ Frozen employees' pay and decreased benefits.
- ✿ Delayed capital expenses that can't be delayed further.
- ✿ Put several current contracts out to bid.
- ✿ Partnered with Town & Country, Creve Coeur, and Ladue for 911 call center collaboration.
- ✿ Refinanced bonds and reduced interest rate.
- ✿ Initiated process to track and recover missing sales, utility, and property taxes.
- ✿ 20-year stormwater management plan reviewed and updated;
 - MSD Stormwater funds renewed in April election

Instituted Efforts to Increase Revenue

- ✿ Attracted new businesses such as Renovation Hardware, and Indochino and Gearhead Outfitters are coming soon to Plaza Frontenac.
- ✿ Supported existing businesses through the pandemic with information and assistance to access local, state and federal resources, public communication of hours of service and temporary adjustments to ordinances to support alternate business delivery models during the pandemic.
- ✿ Increased state and federal grant funding:
 - for police body cameras - originally budgeted with no grant;

- for police bullet proof vest replacements;
- Geyer Road phase 3 increased grant funding to 80%; and
- Spoede Bridge replacement at phase 3 of grant review at 80%.

*rarely does a city get two federal road related grants in any one year.

✿ 20-year stormwater management plan reviewed and updated; MSD Stormwater funds renewed in April election.

✿ Reviewed and updated ARB and permitting process to:

- streamline unnecessary delays for repairs and replacements;
- increase appropriate administrative review and permit approvals;
- protect the tree canopy and associated property values.

Postponed Capital Expenses

✿ The City refinanced its bonds for City Hall in 2020, reducing the interest rate and then using the savings to finance the purchase of a new ambulance to replace an antiquated 10-year-old version.

- The City has been forced to borrow an ambulance from Des Peres while Frontenac's aging ambulance spends more time out of service for repairs.

✿ The delay of investing in critical infrastructure and technology reduces the ability to turn around permits.

- This generates revenue for the City and could also create delays in EMS and police response times in addition to other safety issues.

✿ Need an exhaust management system for the diesel fire engine.

✿ Need building maintenance for: roof, HVAC, elevator, other facilities continually.

✿ Police car replacements postponed for last two years.

Qualified Public Safety Personnel at Risk

✿ Pay freezes and benefit reductions have resulted in hiring and retention issues for Fire/EMS, Police and other City employees.

✿ Low pay makes it difficult to attract and retain Fire/EMS Staff.

✿ Frontenac firefighters and paramedics are the lowest paid among our neighboring communities.

✿ Since 2016, Frontenac's 20-man fire/EMS department has lost 13 firefighter/paramedics to higher-paying jobs in neighboring communities, and more are expected to leave Frontenac.

✿ Nearly 30% of Frontenac's Fire and EMS Department members are expected to retire within the next two to three years.

✿ The August tax proposal will help increase police and firefighter pay to at least the 60th percentile of the pay of neighboring municipalities to help the City attract and retain talent.