

MEMORANDUM

TO: Mike Geisel, City Administrator
FROM: James Mello – Management Analyst
DATE: October 6, 2016
SUBJECT: Minutes – 10-5-16

The Finance and Administration Committee of the Whole met on October 5, 2016. Those in attendance included: Chairperson Bruce DeGroot, Ward IV; Council Committee Member Barry Flachsbart, Ward I; Council Committee Member Guy Tilman, Ward II; Council Committee Member Randy Logan, Ward III; City Administrator Mike Geisel. Those also in attendance included: Mayor Bob Nation; Councilmember Bridget Nations, Ward II; Councilmember Dan Hurt, Ward III; Councilmember Tom DeCampi, Ward IV; Community Services/Economic Development Director Libbey Tucker; Information Technology Director Matt Haug; Public Works Director Jim Eckrich; Parks, Recreation, & Arts Director Tom McCarthy; Planning and Development Services Director Aimee Nassif; Police Chief Ray Johnson; Police Captain Ed Nestor; Police Captain Steve Lewis; City Clerk Vickie Haas; Interim City Attorney Chris Graville; Management Analyst James Mello Jr and 7 members of the public.

Chairperson Bruce DeGroot called the meeting to order at 5:00 p.m. Councilmember McGuinness was not present and Councilmember Flachsbart had not yet arrived.

I. Approval of Minutes from September 26, 2016

Chairperson DeGroot asked if there were any comments or changes to the September 26, 2016 F&A Committee Minutes. Hearing none, Councilmember Logan motioned to approve the Minutes. Councilmember Tilman seconded the motion. A voice vote was taken, with a unanimous result 6-0, and the motion was approved.

II. Continued Discussion from Budget Workshop I

City Administrator Mike Geisel reviewed where the previous Budget Workshop meeting left off and outlined the goals for the present meeting were as follows: discuss and approve, adjust, or eliminate each of the community contribution, sponsorship, and similar line items; discuss the level of merit raise pool that should be budgeted for FY2017; and provide guidance to staff on the overall budget strategy plan.

Chairperson DeGroot opened the discussion to the Committee of the Whole.

Councilmember DeCampi inquired what the \$75,000 contribution to Stages actually covered. Community Services/Economic Development Director Libbey Tucker clarified that it provided funding to cover classes offered at their Performing Arts Academy at the Kent Center in Chesterfield, the Access the Arts program, and Stories at Stages and also

in the agreement, their youth actors performed James and the Giant Peach at the Amphitheater this summer.

A general discussion ensued about what benefits provided were directly for Chesterfield residents versus those outside of Chesterfield. It was also clarified that these annual contributions began in 2008 with an expectation that Stages would eventually have a new theater and performing arts center in Chesterfield, but they purchased the existing building for the Performing Arts Center and the theater will remain in Kirkwood. Mayor Nation stated that Stages had further clarified how many residents within the 63005 and 63017 zip codes benefitted. He recalled that for the Academy classes, there were over 2500 total participants and nearly 600 were from those zip codes, which he noted encompassed other cities. He determined that no other cities contribute to Stages.

Councilmember Hurt made a motion to decrease the funding from the \$75,000 budgeted to only \$45,000 in FY 2017. The motion failed for lack of a second.

The discussion continued.

Councilmember Logan made a motion to decrease the funding from the \$75,000 budgeted to only \$50,000 in FY 2017. Councilmember Nations seconded the motion. A voice vote was taken and failed to pass by a vote of 2-4, with Councilmember Tilman, Councilmember DeGroot, Councilmember DeCampi, and Councilmember Hurt voting against the motion.

Councilmember DeGroot made a motion to eliminate the \$75,000 of funding for Stages from the FY 2017 budget entirely. Councilmember DeCampi seconded the motion. A voice vote was taken and the motion passed by a vote of 4-3. Councilmember Hurt, Councilmember Logan, and Councilmember Nations voted against the motion resulting in a 3-3 tie, broken by Mayor Nation who voted in favor of the motion.

Councilmember DeGroot moved the discussion to the \$2,000 line item for the Chesterfield Chamber of Commerce Pumpkin Run Sponsorship.

Councilmember Tilman made a motion to eliminate the Chesterfield Chamber of Commerce Pumpkin Run Sponsorship funding for FY2017. Councilmember Nations seconded the motion. A voice vote was taken, with a unanimous result 6-0, and the motion was approved.

Councilmember DeGroot moved the discussion to the \$12,000 line item for the Chesterfield Chamber of Commerce Fireworks display at the kick-off concert for their season the first week of June, which is celebrated as the City's Anniversary.

Councilmember Tilman made a motion to eliminate the Chesterfield Chamber of Commerce Fireworks display funding for FY2017. Councilmember DeGroot seconded the motion. During discussion, Councilmember Hurt expressed that residents really appreciated and enjoyed the display and noted it has become an annual tradition.

Councilmember DeGroot stated that the display was a want, not a need, and he could not justify keeping it in the FY2017 budget. A voice vote was taken, and with a vote of 4-2, was passed. Councilmember Hurt and Councilmember Logan voted against the motion.

Councilmember DeGroot moved the discussion to the \$25,000 line item for the Civic Orchestra. It was clarified that in 2015, there was one free concert held at the Chesterfield Amphitheatre. Other concerts are held at Logan's Purser Center.

Councilmember Tilman made a motion to eliminate the Civic Orchestra funding for FY2017. Councilmember Nations seconded the motion. A voice vote was taken, and with a vote of 5-1, was passed. Councilmember Logan voted against the motion.

Councilmember moved the discussion to the \$3,000 line item for a Chesterfield Chamber of Commerce Concert Sponsorship. Ms. Tucker clarified that the line item was not for an advertisement as suggested in the line item language, and was a payment to sponsor the event itself and that the money went toward covering the concert series expenses.

Councilmember Logan made a motion to continue making the \$3,000 Chesterfield Chamber of Commerce Concert Sponsorship in FY2017. Councilmember Hurt seconded the motion. During discussion, it was clarified that the expense for each of the 10 annual concerts was around \$1,000 for the Faust Park venue and \$600 for the bands – a total of \$16,000 annually. Parks, Recreation, & Arts Director Tom McCarthy also stated that there was the potential of the Chamber of Commerce electing to move the concerts to the Amphitheatre instead of Faust Park. He stated the City would only charge enough to recoup costs. A voice vote was taken and the motion passed by a vote of 4-3. Councilmember DeCampi, Councilmember Tilman, and Councilmember DeGroot voted against the motion resulting in a 3-3 tie, broken by Mayor Nation who voted in favor of the motion.

Councilmember DeGroot moved the discussion discuss the merit raise pool for FY2017. Councilmember Flachsbart joined the meeting at this time.

Councilmember Logan inquired what the cost of a comprehensive compensation analysis would be. Mr. Geisel estimated that a comprehensive analysis of compensation and benefits would cost approximately \$35,000.

Councilmember Flachsbart stated that the intent of the merit raise pool was to continue the City's ability to attract and retain the best employees possible.

Councilmember DeGroot stated he was in favor of eliminating the merit raise pool entirely for FY2017. Lessons learned during the "right-sizing" initiative in 2010 were important and should be remembered. Councilmember Logan stated that the 2010 issues were completely separate and under different economic circumstances – the situations were not comparable.

Councilmember Tilman inquired that if the Council acted on the compensation survey now if there would be time for it to reach a conclusion before the budget needed to be approved. Mr. Geisel clarified that if it were to be funded and initiated now, it would likely conclude by the end of January. Mr. Geisel continued to state that these FY2017 merit raises do not take place until July 1, 2017. If the Council desired to conduct a compensation survey, they could eliminate merit pool raises entirely for FY2017, fund the compensation survey in the FY2017 budget, and based on the survey results, consider making a budget adjustment in 2017 to reinstate a merit raise pool.

Councilmember Flachsbart stated it had been quite some time since a comprehensive compensation survey had been conducted and it was time to do it again.

Councilmember Hurt clarified that the currently budgeted 2.5% merit raise pool represented approximately \$215,000 in FY2017. He also stated that private sector comparisons, where appropriate, should be included in the compensation analysis as well.

Councilmember Hurt posited that in the past, a smaller retirement plan contribution of 6% had been offered by the City and perhaps backing down from the current 8% contribution could be done and the merit raise pool left in place.

Councilmember Flachsbart made a motion to recommend to Council that a comprehensive compensation and benefit analysis be funded and initiated immediately, not to exceed \$35,000, be conducted using General Fund - Fund Reserves. The motion was seconded by Councilmember Tilman. A voice vote was taken, and with a vote of 5-2, was passed. Councilmember DeGroot and Councilmember DeCampi voted against the motion.

Councilmember Flachsbart made a motion to eliminate the merit raise pool for FY2017. Councilmember Tilman seconded the motion. A voice vote was taken, with a unanimous result 7-0, and the motion was approved.

III. Adjournment

The meeting was adjourned at 6:02 pm.