

MEMORANDUM

TO: Mike Geisel, City Administrator
FROM: James Mello – Management Analyst
DATE: October 25, 2016
SUBJECT: Minutes – 10-24-16

The Finance and Administration Committee of the Whole met on October 24, 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; Community Services/Economic Development Director Libbey Tucker; and Finance Director Craig White. Those also in attendance included: Mayor Bob Nation; Councilmember Barbara McGuinness, Ward I; Councilmember Bridget Nations, Ward II; Councilmember Dan Hurt, Ward III; Councilmember Tom DeCampi, Ward IV; 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 Hass; Management Analyst James Mello Jr and 6 members of the public.

Chairperson Bruce DeGroot called the meeting to order at 5:30 p.m.

I. Approval of Minutes from September 26, 2016

Councilmember Flachsbart motioned to amend the minutes to clarify that his motion at the Sept. 26, 2016 meeting was to eliminate the 2017 merit raise pool until after the compensation study was completed. Councilmember Nations seconded the motion. A voice vote was taken, with a unanimous result 8-0, and the motion was approved. Councilmember Flachsbart mad a motion to approve the Minutes as amended. Councilmember Logan seconded the motion. A voice vote was taken, with a unanimous result 8-0, and the motion was approved.

II. Engagement Agreements for Special Council

City Administrator Mike Geisel briefly summarized the need and past use of specialized counsel by the City, as fully explained in his memo distributed October 17, 2016. He concluded by recommending that the Committee of the whole approve the engagement agreements with Armstrong Teasdale and Michael Harris. Additionally, Mr. Geisel recommended that the Committee authorize staff to forward the engagement agreement with Mr. Pleban directly to Council once the Mayor has received, reviewed, and recommends it's approval.

A brief discussion ensued about the application of the special council agreements. Mr. Geisel recommended that, in the future, these agreements be reviewed and updated on a biennial basis.

Councilmember Flachsbart made a motion to approve both the engagement agreements with Armstrong Teasdale and Michael Harris. Going forward, the agreements would be reviewed on a bi-annual basis. Councilmember Logan seconded the motion.

During discussion, Councilmember Tilman clarified that the rates proposed were competitive and were unchanged from what the City was currently paying.

Councilmember Flachsbart motioned to amend the motion to authorize staff to forward the engagement agreement with Mr. Pleban directly to Council once the Mayor has received, reviewed, and is recommending it's approval. Councilmember Logan seconded the motion. A voice vote was taken, with a unanimous result 8-0, and the motion was approved.

Councilmember McGuinness motioned to make an amendment to change the bi-ennial review to an annual review. Councilmember Hurt seconded the motion. A roll call vote was taken, failing by a vote of 3 to 5, with Councilmembers Nations, Hurt, Flachsbart, DeCampi and DeGroot voting against the amendment.

A voice vote was taken on the original motion, as amended, with a unanimous result 8-0, and the motion was approved.

III. Community Contribution Request

Community Services & Economic Development Director Libbey Tucker provided background information on the Community Contribution request for \$3,000 from the West County YMCA to fund transportation for older adult bus trips, as was done in 2015. Mrs. Tucker noted that the City has a strong relationship with the West County YMCA, located in Chesterfield, to provide a variety of programming for older adults which resulted from program suggestions from the City's Older Adult Task Force. The bus trips have become a very popular program and the YMCA has requested continued funding for four trips in 2017. Becky Dooley, Recreation Specialist in the Parks Department assists the YMCA in planning these events. Annemarie Deutschmann, a representative from the YMCA and member of Chesterfield's Older Adult Task Force, and Denise Glass, Executive Director were available to answer questions as well.

Councilmember McGuinness cited that she did not believe that the programs in question, specifically the bus tour trips described by Ms. Tucker, met the specific written program criteria of the Community Contributions since the events do not occur in Chesterfield. Councilmember Logan remarked that they originated in Chesterfield so he felt it was acceptable. Councilmember Hurt noted that these were worthy programs and suggested that, if Councilmember McGuinness was correct, perhaps the criteria should be changed to allow the use. It was noted that the program was eliminated in the 2017

budget, so changing the criteria at this point would not be helpful. Mr. Geisel clarified that, while funding for the Community Contributions program has been eliminated by Council for FY2017, it would not prevent them from adding funding back into the budget for FY2017 or years in the future. In response to a question, Councilmember DeGroot clarified that, according to information previously provided by the YMCA, approximately 50% of the bus tour participants are Chesterfield residents.

A general discussion ensued about the potential to host the programs in-house, continuing the partnership with the YMCA, but eliminating the contribution directly to the Y and paying the expense directly. Mr. Geisel stated that it was possible and Mrs. Tucker noted she had spoken with Mrs. Dooley and Mr. McCarthy about this possibility earlier in the day and they all felt it could work, as Mrs. Dooley plans the trips anyway.

Councilmember Tilman motioned to move \$3,000 to the Community Services/Economic Development budget to continue the YMCA partnership events. Councilmember Flachsbart seconded the motion. During discussion, Ms. Deutschmann and Ms. Tucker mentioned that there might be some growing pains with the structure and administration of the events, but they were both confident that it could be adapted. A voice vote was taken, with a result of 6 to 1 with 1 abstention, and the motion was approved. Councilmember DeGroot voted against the motion and Councilmember Hurt abstained.

IV. Business License Overview

Mr. White summarized the current structure and revenues of business license fees in Chesterfield and a number of other local municipalities. A general discussion followed.

Councilmember Flachsbart expressed concerns about increasing fees may affect their competitiveness with future developments in the region, specifically in Maryland Heights.

Councilmember Hurt suggested that if an increase in the fees were to occur, that businesses related to manufacturing, farming, and research be unaffected because those businesses are more globally competitive than retail and service businesses.

Councilmember Tilman clarified that, as far as staff was aware, there had been no increases in fees since the City's incorporation in 1988.

Mr. Geisel reminded everyone that initially, the philosophy of the cost structure was intended to be a nominal, competitive rate compared to other area municipalities. He stated that the current revenues do not fully offset the cost incurred by the City to issue the licenses and administer services provided to the businesses.

Councilmember McGuinness motioned to direct staff to review all fees, permits and licenses issued by the City and provide the Council with any recommendations resulting from that review. Councilmember Logan seconded the motion. During discussion, Councilmember Logan requested that the review include the amount of business square

footage that currently exists in Chesterfield in each of the three rate categories. He also requested that the review include how often other municipalities update their rates. A voice vote was taken, with a unanimous result 8-0, and the motion was approved.

V. F&A Citizen Advisory Committee

Mr. White reviewed the history and past use of the F&A Citizen Advisory Committee, noting that they were created in 1991 and had not met since 2004. Mr. White mentioned that few other municipalities have a similar Committee and suggested that rather than have a standing Committee, the Council could elect to form a Committee as needed in the future on an ad hoc basis.

A general discussion of the ongoing need and potential use for the F&A Citizen Advisory Committee ensued.

Councilmember Hurt suggested that the Committee could be very helpful in reviewing the assumptions used to generate the budget and five year plan each year.

Councilmember Tilman requested that staff verify the status of the Citizen Committee member roster as it currently stands. Councilmember McGuinness requested clarification as to the current size and ward composition of the Committee members as well.

Based on the discussion, Mr. Geisel indicated that in the City's infancies, these sorts of citizens advisory committees were crucial in developing standards, policies and practices. However, as the City matured the regular and routine need for the advisory committees became less necessary. There were occasional struggles to communicate the roles and responsibilities of Citizens Committees and a recognition that such committees were not intended to be boards or commissions that directed functional areas of the municipal operation. He suggested that this was an excellent opportunity for the City to review, revise, and refocus the Committee mission statement to reflect the discussion and clearly define regular tasks for the citizen's committees. Mr. Geisel further suggested that this review could and should be expanded to each of the Citizen's advisory committees.

The general discussion resumed.

Councilmember Flachsbart motioned that action on this item be deferred until staff could recommend revisions to the F&A Citizens Advisory Committee mission statement and outline specific tasks for the Committee to take on for additional consideration.

Councilmember Tilman seconded the motion. A voice vote was taken, with a unanimous result 8-0, and the motion was approved.

VI. Ordinance Modification Regarding Candidate Filing Procedures

Chairperson DeGroot stated that, based on a letter received from the St. Louis County Board of Elections, revising existing election filing procedures could provide a degree of fairness and limit the potential for accusations of favoritism in the future. Chairperson

DeGroot suggested that a simple lottery system for candidate order on the ballot be used – randomly assigned after the filing period closed.

Mr. Geisel briefly reviewed the convoluted nature of the ordinances currently in place and that a revision to the ordinances could clarify existing points of confusion.

Mayor Nation stated that his belief that anything other than a lottery system would reflect poorly on the City and leave a bad impression with the residents.

A general discussion of potential lottery timings, structure, and filing procedures ensued. Councilmember McGuinness suggested that perhaps some time for the Council to digest the information and possible solutions would be beneficial to making an informed decision. It was noted by Vickie Hass, City Clerk, that there was limited time before deadlines were reached for 2017 filing.

Mr. Geisel stated that staff could provide draft ordinance language for consideration and discussion prior to the November 7th Council meeting with finalized language presented at that meeting for the first reading.

Councilmember Logan requested that staff draft language for three ordinances for consideration on the schedule suggested by Mr. Geisel. The ordinances should be:

1. An ordinance establishing a lottery for the first place on the ballot amongst applicants filing within one hour after the filing period opens and a second lottery for the last place on the ballot for all applicants filing within one hour of the close of the filing period. All other filings outside of that period would be listed in the order they were received.
2. An ordinance establishing one lottery after the filing period had closed to establish the listing order for all applicants.
3. A listing based on the order in which the applications are received, including language establishing how a line was permitted to form and similar clarifications.

There was a general consensus by the Council that this was an acceptable way to proceed.

Mr. Geisel noted at this time that agenda items III-B through III-E were being kept on the agenda for future discussion, but no discussion was planned for this evening.

VII. Budget Workshop

A member of the public, former City Councilmember Mary Brown, briefly spoke in support of the previously defunded community organizations and activities. She expressed her desire for the Council to reconsider their action, specifically with regards to the Civic Orchestra, the City's "Birthday Concert" fireworks, the Pumpkin Run, and STAGES. The Mayor and Councilmembers thanked Ms. Brown for her comments and

discussed her request in light of other substantial budget cuts that had been made since their previous decision.

Chairperson DeGroot stated that staff had provided additional recommended budget reductions, that when combined with those previously considered, resulted in annualized savings of \$932,298. He expressed his appreciation to staff for their diligence and cooperation in identifying the reductions. Chairperson DeGroot indicated that he was aware of some Councilmembers had expressed a desire to discuss and review specific line items, but given the willingness, cooperation, and magnitude of the budget reductions proposed by staff, he was hopefully that the Council would give serious concern to approval of the budget as it was now proposed.

Councilmember McGuinness advised that her prior recommendation to delete funding for health care deductibles would simply be deferred until the City had completed the comprehensive compensation and benefits study.

Councilmember McGuinness suggested that they eliminate the approximately \$17,000 for advertising in the St. Louis Business Journal. Councilmember Logan suggested that, as a separate but tangential measure, he would like consider appropriating \$15,000 of those dollars to partially fund the City's traditional commitment to the Civic Orchestra.

Councilmember Logan motioned to eliminate the line item funding of \$17,000 for advertisements in the St. Louis Business Journal from the revised proposed budget. Councilmember McGuinness seconded the motion. A voice vote was taken, with a unanimous result 8-0, and the motion was approved.

Councilmember Logan motioned to fund a contribution to the Civic Orchestra in the amount of \$15,000 in 2017. Councilmember Flachsbart seconded the motion. A voice vote was taken and, with a result of 7 to 1, the motion was approved. Councilmember DeGroot voted against the motion.

Councilmember McGuinness clarified that, in the past, the tuition assistance benefit had been funded for \$25,000 each year and that it had been suspended in 2015, but Staff had proposed funding the program in the amount of \$20,000 for 2017.

Councilmember DeGroot motioned that the \$20,000 currently listed in the revised proposed budget be reduced by \$10,000, leaving a budgeted value of \$10,000 remaining, and to track which employees were taking advantage of the benefit and what they were using it for and review the benefit again next year. Councilmember McGuinness seconded the motion. During discussion, it was asked if it was known how much each employee could receive from the fund. Ms. Hass stated anecdotally that she had taken advantage of the benefit in years past and recalled the amount to be approximately \$2,500 per year. A roll call vote was taken, failing by a vote of 3 to 5, with Councilmembers Tilman, Nations, Hurt, Flachsbart, and Logan voting against the amendment. The Committee discussed and confirmed that failure of the motion resulted in leaving the \$20,000 line item intact for the 2017 budget proposal.

Councilmember DeCampi asked staff to elaborate on the \$3,000 and \$7,000 line items for Environmental Expenditures and that it might be possible to reinstate the funding for the City's "Birthday Concert" fireworks if this item was eliminated. Ms. Tucker explained that the bulk of these expenditures went towards the annual Earth Day event which is quite popular and well attended, but also covered other miscellaneous expenditures by the Citizen Committee for the Environment (CCE) throughout the year and covered all of their activity and event costs. Ms. Tucker also noted that these were not net expenditures and that there were some offsetting revenues that lessened the City's net expenditure in these accounts.

Councilmember DeCampi made a motion to eliminate the two line items, totaling \$10,000, from the revised proposed 2017 budget. Seconded by Councilmember McGuinness. There was a general discussion about the benefit and popularity of the Earth Day event and general CCE activity.

Councilmember McGuinness motioned to amend the motion to fund these accounts to a total of \$7,500 instead of \$10,000. The motion died due to lack of a second.

Councilmember DeCampi withdrew his original motion.

Councilmember McGuinness made a motion to reduce the Environmental Expenditure accounts to a total of \$7,500. Seconded by Councilmember DeCampi. A voice vote was taken and, with a vote of 2 to 6, the motion failed. Councilmembers Tilman, Nations, Hurt, Flachsbart, Logan, and DeGroot voted against the motion.

Councilmember Tilman suggested that, in light of all the cuts that were being made, he wanted to be sure that the department heads and staff could still operate effectively and provide quality service to residents and businesses of the City. Mr. Geisel explained that the budget proposal, with the additional reductions, was a constraint and limited flexibility. That in the event unanticipated projects or issues arose that staff would be compelled to request funding for such additional effort. He assured Council that the proposed budget with the reductions, would allow the City to function without elimination of any programs or activities, except for those specifically eliminated by City Council.

A general discussion ensued about how to set aside the total budget reductions for future debt service payments. The proposed budgetary savings would be set aside in each fund, to provide for early debt service retirement. Mr. White clarified that the City would still retain a degree of flexibility under this plan, to use those set aside funds during an extreme emergency expenditures and still meet all debt obligations. This would be achieved by reducing the transfer from the applicable operating fund to the debt service fund and simply using the dollars set aside prior to the final scheduled debt service payments.

Councilmember Hurt made a motion to fund an additional Elementary School Resource Officer (ESRO) at the City's elementary schools in the amount estimated by Chief Johnson, \$70,000. Seconded by Councilmember DeGroot.

During discussion, Councilmember Logan stated that he preferred to wait on such an action until after a review of the need for an SRO was presented by Chief Johnson at the next Public Health and Safety Committee meeting. Councilmember Flachsbart stated that a vote against the motion did not preclude a future discussion and inclusion of the funding in the future. Councilmember DeCampi clarified that the motion made by Councilmember Hurt was motivated by feedback from citizens in Councilmember Hurt's Ward.

A voice vote was taken and, with a vote of 1 to 7, the motion failed. Councilmembers Tilman, Nations, Flachsbart, DeCampi, Logan, McGuinness and DeGroot voted against the motion.

Mr. Geisel outlined the timetable for timely budget approval moving forward. Based on the feedback and actions taken, a final revision of the budget would be prepared for the budget presentation to City Council before the November 21st Council Meeting, with the public hearing and final budget approval still scheduled for December 5th.

A general discussion of the vehicle use policy, take home vehicles, and the nature of the On-call Supervisor took place.

Councilmember McGuinness clarified that the survey of compensation and benefits would likely conclude in March 2017 and that sufficient time remained for action prior to the open enrollment deadline. Councilmember Hurt distributed an outline of a suggestion to reduce City retirement contributions to employee 401(a) plans from 8% to 6% and increase employee salaries by 2%. In order to realize the 6% that 2% would have to be contributed to the plan by the employees. Councilmember Hurt advised that he did not intend for any review or approval of the proposal at this meeting, but was offering the alternative which he believed was more congruent with the private sector. A brief and general discussion about Councilmember's recommendation ensued.

Chairperson DeGroot thanked Mr. Geisel and staff for the hard work, productive conversations, and positive results.

Mr. Geisel reiterated that agenda items III-B through III-E were being kept on the agenda for future discussion, but no discussion was planned for this evening.

VIII. Adjournment

The meeting was adjourned at 8:08 pm.