



**Finance and Administration Committee of the Whole
Record of Proceeding
October 6, 2020**

The Finance and Administration Committee of the Whole met on October 6, 2020. Those in attendance included: Chairperson Barbara McGuinness, Ward I; Council Committee Member Mary Ann Mastorakos, Ward II; Council Committee Member Michael Moore, Ward III; Council Committee Member Tom DeCampi, Ward IV; City Administrator Mike Geisel; and Finance Director Jeannette Kelly. Those also in attendance included: Mayor Bob Nation; Councilmember Mary Monachella, Ward I; Councilmember Ben Keathley, Ward II; Councilmember Dan Hurt, Ward III; Councilmember Michelle Ohley, Ward IV; Information Technology Director Matt Haug; Director of Public Works/City Engineer Jim Eckrich; Director of Planning Justin Wyse; Director of Parks, Recreation and Arts Thomas McCarthy; Assistant Finance Director John Hughes; Police Chief Ray Johnson; Captain Mike Thompson; Captain Cheryl Funkhouser; and City Clerk Vickie McGownd.

Chairperson Barbara McGuinness called the meeting to order at 5:30 p.m.

Approval of Minutes

Chairperson McGuinness asked if there were any comments or changes to the September 22, 2020 F&A Committee of the Whole minutes. Hearing none, Councilmember Moore made a motion, seconded by Councilmember Mastorakos, to approve the September 22, 2020 F&A Committee of the Whole minutes. A voice vote was taken with an affirmative result and the motion was declared passed.

[Councilmember DeCampi arrived at 5:31 p.m.]

Budget Workshop - Overview

Finance Director Jeannette Kelly presented the proposed 2021 Budget to the F&A Committee of the Whole. Given the current environment, and anticipating a slow recovery coming out of the pandemic, the 2021 budget revenues in the four major funds – General, Parks, Capital Projects and Public Safety – have been reduced by a combined \$1.5 million below the 2020 adopted budget and 5% below 2019 actual values. Staff went through every line item and looked at where they could delay expenses. As a result,

the proposed budget for 2021 projects revenues in excess of expenditures in the amount of \$1.8 million.

The proposed budget reflects the City's strategy for a level debt service using previous set-asides for debt pre-payment. To date, more than \$6 million has been set aside to reduce annual debt service payments and to retire debt earlier than scheduled. The annual debt payments in 2021 and 2022 for City Hall Certificates of Participation have been completely funded. Parks Fund debt service has been reduced to \$2.8 million annually through 2025. Detailed impact of the new park land acquisition and refunding of Certificates of Participation, 2014 Series will be included for Budget Workshop #2 after completion of the sale of Certificates of Participation, but should reflect positively on the 2021 budget.

Fund Reserve balance at the end of 2021 is estimated to be \$2.5 million in excess of the 40% reserve policy – that includes funding for the Emerald Ash Borer (EAB) program, snow removal reimbursement and transferring restricted funds. Unrestricted fund reserves will be \$2.4 million above the 40% reserve policy. These numbers do not reflect the upcoming debt issuance for the acquisition of Parks properties, which will affect the debt service schedule and these changes will be reflected in the budget presented at the second budget workshop.

Ms. Kelly informed City Council that the budget proposal already includes an estimated allocation for step increases for the Fraternal Order of Police (FOP) employees, but does not include a merit pool increase for non-FOP employees. She then provided Council with research information obtained from a survey of surrounding communities about merit pool increases actually given in 2020 as well as proposed increases for 2021. She also provided Consumer Price Index (CPI) information as well as data from the Bureau of Labor Statistics for use in determining a merit pool amount. In addition, Ms. Kelly provided a chart showing fully loaded budget impact for various increase amounts. She reminded Council that no merit pool increases were given in 2017 or 2020.

Discussion ensued and questions were asked and answered.

Councilmember Ohley made a motion to eliminate the Metro Mayors Membership fee in the amount of \$350. The motion failed due to lack of a second.

Councilmember Keathley made a motion, seconded by Councilmember Ohley, to eliminate City logo shirts for elected officials in the amount of \$500. A voice vote was taken with a unanimous affirmative result and the motion was declared passed.

Councilmember McGuinness made a motion, seconded by Councilmember Moore, to add \$1.2 million from the Fund Reserve balance, to pre-paid debt. Discussion ensued. Past action has been to see what the fund reserve balance is at the end of the current year then determine what amount to put into pre-paid debt. A voice vote was taken with a unanimous negative result and the motion was declared failed.

Mr. Geisel asked for feedback on the personnel request for two previously identified Parks positions that were associated with the Logan Park and Downtown Chesterfield Park acquisition. Councilmember Hurt made a motion, seconded by Councilmember Ohley, to approve one additional Parks employee in the 2021 budget with the understanding that development would occur during 2021, and the second position would be re-visited sometime in 2021. A voice vote was taken with a unanimous affirmative result and the motion was declared passed.

Adjournment

The meeting was adjourned at 7:40 p.m.

Respectfully submitted:

Mike Geisel
City Administrator

Vickie McGownd
City Clerk

APPROVED: _____