



## **Finance and Administration Committee of the Whole Record of Proceeding September 22, 2020**

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The Finance and Administration Committee met on Tuesday, September 22, 2020. Those in attendance included: Chairperson Barb 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; and Mayor Bob Nation. Those also in attendance included: Councilmember Mary Monachella, Councilmember Ben Keathley, Councilmember Michelle Ohley, Councilmember Dan Hurt, City Administrator Mike Geisel, Finance Director Jeannette Kelly, Parks Director Tom McCarthy, City Clerk Vickie McGownd, Director of Public Works\City Engineer Jim Eckrich, Police Captain Cheryl Funkhouser, Police Captain Mike Thompson, Planning Director Justin Wyse, and Administrative Assistant to the City Administrator/Deputy City Clerk Amanda Miller.

Chairperson Barb McGuinness called the meeting to order at 4 p.m.

### **Approval of Minutes**

The minutes of the March 3, 2020 Finance and Administration Meeting were submitted for approval. Councilmember Moore made a motion, seconded by Councilmember McGuinness to approve the March 3, 2020 Finance and Administration Meeting minutes. A vote was taken with an affirmative result (3, 0) with Councilmember Mastorakos abstaining and the motion was declared passed.

### **Selection of Vice Chair**

Councilmember McGuinness made a motion, seconded by Councilmember Mastorakos to approve Councilmember Moore as Vice Chair of the Finance and Administration Committee. A vote was taken with an affirmative result (4, 0) and the motion was declared passed.

### **Selection of Liaison – Finance and Administration Citizens Advisory Committee (FACAC) and the IT Citizens Advisory Committee**

Councilmember McGuinness suggested Councilmember Moore be the liaison for the Finance and Administration Citizens Advisory Committee since and the IT Citizens Advisory Committee, since he performed those duties last year. Councilmember McGuinness made a motion, seconded by Councilmember

Mastorakos to approve Councilmember Moore as Council liaison to both committees. A vote was taken with an affirmative result (4, 0) and the motion was declared passed.

### **Citizen of the Year Recognition**

Mr. Geisel explained that the City had named resident Mark Leach as the 2019 Citizen of the Year, but we had been unable to conduct the reception and award due to the Pandemic and related stay at home orders. Discussion ensued about how to proceed with the Citizen of the Year Recognition. A decision was made to wait until Covid clears up, then a decision can be made as to how the City will proceed.

### **Proposed 2021 City Council Meeting Schedule**

City Administrator Mike Geisel presented the proposed 2021 City Council meeting schedule. After reviewing the Jewish Community Relations Council (JCRC) Calendar of Major Jewish Holidays and reviewing the holidays the City will observe in 2021, City Clerk Vickie McGownd prepared the 2021 proposed City Council Meeting Schedule. There is a notable change this year, due to the Jewish holidays being on Mondays, if the City Council meetings are still virtual due to Covid, the virtual meetings can be on Tuesdays. If the City Council Meetings can be in person, the meetings will be on Wednesdays due to municipal Court being on Tuesdays.

Councilmember Moore made a motion, seconded by Councilmember McGuinness to recommend approval of the proposed 2021 City Council Meeting Schedule and forward to City Council. A vote was taken with an affirmative result (4, 0) and the motion was declared passed.

### **Recommendation for Franchise Tax Audits**

Finance Director Jeannette Kelly was asked to research vendors to audit the Utility Tax Revenues due to decreasing trends. Azavar and TriStem were contacted to discuss their capabilities with regards to auditing Franchise Fees including utility tax revenues, Sales Taxes and Utility Bills. Azavar, a Chicago company, currently works with the City of Frontenac on a utility tax audit. TriStem, a Dallas company, has worked with several municipalities outside of Texas including Overland Park, Kansas. Ms. Kelly made a recommendation to go with Tristem to audit the Utility Tax Revenues.

Councilmember Moore made a motion, seconded by Councilmember Mastorakos to proceed with Tristem for the Franchise Tax Audit. A vote was taken with an affirmative result (4, 0) and the motion was declared passed.

### **St. Louis Metro Municipal League Annual Dues**

Mr. Geisel indicated that the City has received the annual dues statement from St. Louis Metro Municipal League in the amount of \$6,410. This will be the sixth consecutive year without a dues increase and this year the League Board has approved a 10% decrease from last year's dues amount to help our

members during the Covid 19 crisis. Council has directed staff for the last three years to present the annual dues notice to the F&A Committee, and subsequently City Council, for approval before payment is made.

Councilmember Moore made a motion, seconded by Councilmember Mastorakos to recommend approval of payment to the St. Louis Metro Municipal League for annual dues in the amount of \$6,410 and continue the practice of submitting these invoices to the F&A Committee for annual approval by Council. A vote was taken with an affirmative result (3, 1) with Councilmember DeCampi voting no and the motion was declared passed.

### **Gamble-Schlemeier Contract Renewal**

City Administrator Mike Geisel presented an agreement to renew the annual contract with Gamble and Schlemeier for professional services at the same annual rate, paid on a monthly basis. Gamble and Schlemeier will provide government relations services, as an independent contractor. Gamble and Schlemeier will provide to the City of Chesterfield the following services: Governmental relations services before the Missouri legislature and executive branch related to the establishment and maintenance, of contacts with members of the Missouri General Assembly; monitoring of pertinent legislation affecting Chesterfield's municipal interests; and preparation of or lobbying on behalf of legislation proposed in Chesterfield's interest, which may include, without limitation, legislation affecting the St. Louis County municipal sales tax pooling requirements imposed by RSMo Section 66.620 and legislation directly related to a merger of St. Louis City and St. Louis County. Included in such services, during the legislative session, Gamble and Schlemeier will provide a written monthly summary of services performed and legislation monitored on behalf of Chesterfield for the previous month. This agreement shall be in effect through August 30, 2020 and will be funded by a \$40,000 transfer from General Fund – Fund Reserves.

Councilmember Moore made a motion, seconded by Councilmember Mastorakos to forward the governmental relations services contract to City Council with an affirmative recommendation, including a \$40,000 transfer from General Fund – Fund Reserves. A vote was taken with an affirmative result (3, 1) with Councilmember DeCampi voting no and the motion was declared passed.

### **Special Counsel Agreement – Armstrong Teasdale**

City Administrator Mike Geisel, after consultation with Mayor Nation, solicited a special counsel engagement letter from Armstrong Teasdale. The scope of this agreement is limited to the financial and development issues related to Chesterfield Mall and adjacent property to the west.

Councilmember Moore made a motion, seconded by Councilmember Mastorakos to approve the special counsel agreement with Armstrong Teasdale. A vote was taken with an affirmative result (4, 0) and the motion was declared passed.

## **Financial Report**

Finance Director Jeannette Kelly discussed the September financial report and discussed the City's current financial including issues related to the COVID 19 Pandemic. Finance Director Jeannette Kelly and Mr. Geisel provided an overview of additional information related to the budget, interpretation and understanding of the monthly Financial reports, timing of various revenue streams, as well as a detailed description of the City's finances.

## **Finance 103**

City Administrator Geisel presented materials and information related to historical, current, and future financial data. Specifically, he provided information on revenues, expenditures, growth of the City, and the growth of city obligations and services. Mr. Geisel summarized with the following conclusions:

- The City of Chesterfield is, and will continue to grow.**
- **Growth requires that services be extended to new residents, businesses, and industry.**
- **The cost of materials, products, and labor continue to grow.**
- **Extending services with existing finite resources necessarily requires efforts be reduced\re-directed from current consumers**
- **The regulatory environment and legislative actions have not been favorable to the City.**
- **The City of Chesterfield is in a sound financial condition presently.**
- **The Chesterfield Community IS experiencing an erosion of level service due to growth (all forms), inflation, regulation, and real revenue loss**
- **Non- Law Enforcement General Fund expenditures have already been reduced by more than \$2 million**
- **Revenues are volatile, are being reduced, and are threatened by outside actions.**
- **The City of Chesterfield continues to have an unhealthy reliance on sales tax revenues. 55% of total revenues.**
- **The current levels of service provided is unsustainable. In the very near future, the Community will be required to make a determination as to how they envision our future. The status quo is unsustainable, and we will need to adjust to the Community's direction.**
- **contract?**
- **expand?**

## **Additional Discussion**

Chairperson McGuinness requested staff to look into exploring alternative sources of revenue besides sale tax, look at property tax on residential and commercial properties in the City of Chesterfield and assume status quo in terms of revenue and expanded expenses in what scenario should we be exploring for the City to provide services if we do nothing.

Councilmember Moore made a motion, seconded by Councilmember Mastorakos to approve staff doing more research and coming back as a committee of the whole to discuss. A vote was taken with an affirmative result (7, 1) with Councilmember DeCampi voting no and the motion was declared passed.

**Adjournment**

The meeting was adjourned at 6:59 p.m.

Respectfully submitted:

\_\_\_\_\_  
Jeannette Kelly  
Finance Director

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Amanda Miller  
Deputy City Clerk

Approved: \_\_\_\_\_

DRAFT