



## RECORD OF PROCEEDING

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### SPECIAL MEETING OF THE CITY COUNCIL OF THE CITY OF CHESTERFIELD AT 690 CHESTERFIELD PARKWAY WEST

**DECEMBER 11, 2008**

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The meeting was called to order at 6 p.m.

Mayor Nations led everyone in the Pledge of Allegiance and followed with a moment of silent prayer.

A roll call was taken with the following results:

PRESENT

Mayor John Nations  
Councilmember Barry Flachsbart  
Councilmember Gene Schenberg  
Councilmember Bruce Geiger  
Councilmember Lee Erickson  
Councilmember Dan Hurt  
Councilmember Mike Casey  
Councilmember Connie Fults

ABSENT

Councilmember Bob Nation

APPROVAL OF MINUTES

The minutes of the December 1, 2008, Public Hearing and City Council meeting were submitted for approval. Councilmember Casey made a motion, seconded by Councilmember Erickson, to approve the Public Hearing and City Council minutes. A voice vote was taken with a unanimous affirmative result and the motion was declared passed.

## **INTRODUCTORY REMARKS**

Mayor Nations wished a Happy Holiday season to everyone in attendance.

Mayor Nations announced that the next meeting of City Council has been scheduled for Monday, January 5, 2009 at 7 p.m.

Mayor Nations next announced that candidate filing, for the April 7, 2009 Municipal Election, begins at 8:00 a.m. on Tuesday, December 16.

## **COUNCIL COMMITTEE REPORTS**

### **Finance and Administration Committee**

Councilmember Lee Erickson, Chairperson of the Finance and Administration Committee, reported that Bill No. 2690 (Authorizes the issuance of \$4.7 million as partial funding for PHASE TWO of the City's Parks Plan) will be considered for adoption under the "Legislation" portion of the Agenda.

Councilmember Erickson announced that the next meeting of this Committee has been scheduled for Monday, January 26, at 5:30 p.m.

## **REPORT OF THE CITY ADMINISTRATOR**

City Administrator Mike Herring reported that Country Club Express Wash, located at 17195 Chesterfield Airport Road, has requested a new liquor license, due to a change in owners, to sell liquor in the original package and Sunday sales. Councilmember Casey made a motion, seconded by Councilmember Fults, to approve issuance of the liquor license to Country Club Express Wash. A voice vote was taken with a unanimous affirmative result and the motion was declared passed.

## **LEGISLATION**

### **BILL NO. 2690**

AUTHORIZES THE CITY OF CHESTERFIELD, MISSOURI TO ENTER INTO A LEASE PURCHASE TRANSACTION, THE PROCEEDS OF WHICH WILL BE USED TO PAY THE COSTS OF RENOVATING AND IMPROVING THE CITY'S CENTRAL PARK AND THE CHESTERFIELD VALLEY ATHLETIC COMPLEX; AND TO APPROVE THE EXECUTION OF CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH (**SECOND READING; FINANCE AND ADMINISTRATION COMMITTEE**)

Councilmember Erickson made a motion, seconded by Councilmember Schenberg, for a second reading of Bill No. 2690.

Councilmember Geiger asked Michelle Bock, who works for Piper-Jafry and serves as the City's Financial Advisor, if anything has changed, since the first reading of Bill No. 2690 at the December 1 City Council meeting, regarding effective interest rates or annual payments. Ms. Bock responded that, at the time of the first reading of this bill, she had estimated interest rates and estimated annual debt service payments and that these numbers have both gone up slightly. Ms. Bock stated that her initial projections were for an interest rate of 4.6%. The numbers provided by Stifel-Nicolaus, the bond underwriter, indicate a true interest cost of about 4.97%, which translates to an average debt service payment of about \$374,000, which is about \$14,000 higher than originally estimated. Ms. Bock stated that, in the current economic climate, this is still a very low interest rate and that she thinks that Stifel Nicolaus, the underwriter, has done a very good job at marketing these bonds, in advance, which indicates a quick sale. All things considered, Ms. Bock recommends going forward with this bond issuance. Mr. Geiger asked Ms. Bock if the annual payment will remain at approx. \$374,000 for the full 20 years of the bond or are there additional costs in 2009 that will not re-occur in subsequent years. Ms. Bock stated that this is the approximate average annual payment and remains the same each year and includes the issuance costs. Mr. Geiger stated that he supports the passage of Bill No. No. 2690 and will vote in favor of its passage, but has concerns regarding sales tax revenues. Mr. Geiger noted that the FY2009 Budget projects that sales tax revenues will be about \$6.2 million, which is approximately \$500,000 below the numbers contained in the current FY2008 Budget. Mr. Geiger reminded City Council that \$1 million has been allocated within the Parks Sales Tax Fund Budget, for debt service payments, for PHASE TWO. While that is certainly more than enough to cover payments of \$374,000/year, for this first issuance, he urged Mr. Herring and his Staff to monitor the situation very carefully. City Administrator Herring responded that he and his Staff will work with Ms. Bock regarding a recommendation for the next bond issue and will take all of these issues/concerns into consideration, before forwarding any recommendation to the F&A Committee to review.

Councilmember Casey asked Ms. Bock to explain the differences between the interest rate that was originally projected, as of December 1 and tonight's meeting. Ms. Bock stated that the actual interest rate has increased from the 4.6% originally projected to 4.97%, an increase of 37 basis points. She mentioned that the City has secured a bond rating of Aa1, which is the highest possible, for Certificates of Participation. She noted that the City's Aaa bond rating was recently reaffirmed, by Moody's, as well, which indicates that the City has a very positive fiscal reputation. The increase in interest rates is simply a reflection of very challenging current economic conditions.

Councilmember Fults asked Ms. Bock what she is considering, for the remainder of the debt needed to finance PHASE TWO. Ms. Bock responded that she would anticipate additional Certificates of Participation, but she cannot speculate when that next issuance would occur. Much will depend upon interest rates. Ms. Bock stated that she does not believe that interest rates will go up or down dramatically.

Councilmember Flachsbart noted that repayment stated that repayment for these bonds is coming from the Parks Sales Tax which is collected on a “point-of-sale” basis, as opposed to sales tax, in the General Fund, which is collected on a “pooled” basis. Mr. Flachsbart stated that he feels that sales taxes within the City will do much better than the overall St. Louis County pool.

A voice vote was taken with a unanimous affirmative result and the motion was declared passed. Bill No. 2690 was read for the second time.

Mayor Nations stated that he supports the passage of Bill No. 2690. He commented that it was a “great day” for the City when voters passed Proposition “P”, in 2004. Mayor Nations reminded everyone that the City has been able to fulfill all of its original commitments, when Proposition “P” was originally proposed and he looks forward to being able to deliver more for the residents, during PHASE TWO, at NO ADDITIONAL COST.

A roll call vote was taken for the passage and approval of Bill No. 2690 with the following results: Ayes – Fults, Geiger, Flachsbart, Casey, Hurt, Erickson and Schenberg. Nays – None. Whereupon Mayor Nations declared Bill No. 2690 approved, passed it and it became **ORDINANCE NO. 2508**.

### **ADJOURNMENT**

Mayor Nations adjourned the meeting at 6:14 p.m.

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Mayor John Nations

**ATTEST:**

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Judith A. Naggiar, City Clerk