

MEMORANDUM

TO: Finance and Administration Committee of City Council
FROM: Jeremy Craig, Director of Finance and Administration
DATE: March 9, 2005
SUBJECT: **FINANCE AND ADMINISTRATION COMMITTEE MEETING**

The Finance and Administration Committee met on Wednesday, March 9, 2005. Those in attendance included: Chairperson Mary Brown, Ward IV, Councilmember Jane Durrell, Ward I, Councilmember Bruce Geiger, Ward II, Councilmember Mike Casey, Ward III, Mayor John Nations, City Administrator Mike Herring, and Director of Finance and Administration Jeremy Craig. Also in attendance were CCDC Board members Rudy Stinnett, Howard Rosen, Alan Politte, Eric Winschel, Rodney Falgout, Doug Elliott and Dennis Riggs, CCDC staff members Tim Davidson and Kathy Duepner, CCDC Attorney Jim Mello and Executive Secretary Caroline McDowell. The meeting was called to order by Chairperson Brown at 5:05 p.m.

1. Approval of Minutes—February 22, 2005

Councilmember Durrell motioned to approve the minutes from February 22, 2005 and Councilmember Geiger seconded. The minutes were approved 4-0.

2. Chesterfield Community Development Corporation (CCDC) and Economic Development

Chairperson Brown recapped that, at the February 15th F&A Committee meeting, CCDC presented its recommendations concerning CCDC and economic development in general. She noted that Mr. Herring was asked to put his recommendations into written form, for review by the Committee, before any final decision is made.

Mayor Nations began discussion, stating the importance of focusing on Mr. Herring's proposal, contained within his memo, dated March 4, 2005 (see attached). He stated his desire for the City to continue to partner with CCDC and coordinate economic development efforts, however, it is critical to move all full-time employees associated with economic development in-house. He stressed that the CCDC Board will not be disregarded or dissolved. Conversely, under the umbrella of the City, the experience, skills and expertise of the Board members will be utilized more effectively, and the City will be able to develop a true economic master plan for the future.

Mr. Herring echoed Mayor Nations' remarks and said the recommendations within his March 4th memo stem from the same concepts and reflect conversations with citizens, businessmen, community leaders and Council members. He began by summarizing his recommendations: (1) He recommended that no funds be transferred to the CCDC this year. He commented that, based upon a review of the current financial condition of the CCDC and assuming that the CCDC no longer has to fund two (2) full-time employees, the CCDC has adequate funds to cover all on-going expenses until their current lease expires at the end of September 2005. He noted that the CCDC landlord is currently actively marketing the space in hopes of finding someone to assume the balance of the current lease. That would be up to the CCDC to accept, however; (2) He recommended that the \$100,000, contained within the FY2005 Budget, under economic development, be allocated to enable the City Administrator to establish and fund two (2) full-time positions, under his direct supervision, to direct economic development efforts within the City. The two positions, an Assistant to the City Administrator for Economic and Community Development and an Executive Secretary/Administrative Assistant, would be offered to the two current CCDC employees. Mr. Herring noted that, in the past, both the Valley Coalition and the Chamber of Commerce had paid funds to CCDC on an annual basis, \$21,000 and \$15,000 respectively, for services rendered. If/when the City stops funding the CCDC, and the City begins to fund the cost of these two (2) new positions, it is

likely that those organizations will also cease payment of those funds to CCDC. Mr. Herring noted that he had not factored those additional funds into his projections and that the \$100,000 contained within the FY2005 Budget would be adequate to cover all current costs. Additionally, as a result of informal discussions, he learned that the Chamber was/is considering adding another employee and would approach the Valley Coalition with an offer to fund services previously provided by the CCDC; (3) Once this reorganization has occurred, Mr. Herring endorsed the CCDC recommendation to form a Joint Study Committee, and to develop an RFP for the purpose of hiring a consultant to develop an Economic Master Plan to guide/direct the future economic growth and development for the City. While no budget funds are available for this plan, Mr. Herring noted that, if approved conceptually, he would include a funding request in next year's budget. He stated the chief benefit, should these recommendations go through, would be a coordinated economic development effort leading to clear and accurate communications within the community. Mr. Herring concluded by stating the importance that the City "speak with one voice" regarding economic development discussions, both now and in the future.

There followed a general discussion of most of the "Questions and Answers" provided within Mr. Herring's memo, during which Mr. Herring provided additional clarification and information.

Chairperson Brown commended Mr. Davidson for his efforts in promoting and marketing the City, and asked if City committees would be able to continue to use his expertise. Councilmember Casey expressed concern that too many requests from these Committees could dilute the function of economic development. Mr. Herring noted that working with City committees will certainly be part of the of the position's responsibilities, however, it would not overshadow the primary task of economic development. He noted that he anticipates the Executive Secretary/Administrative Assistant position would assume more of these types of duties to enable the Assistant City Administrator for Economic and Community Development position to focus on its primary duties.

Mr. Politte said that when CCDC was formed, the Council at the time felt it structured economic development properly. Over the years, as the City and City Councils have changed, their responsibilities to the citizens have changed and the current proposal, submitted by Mr. Herring, reflects that. He indicated his acceptance of the recommendations and findings and endorsed the proposal.

Mr. Stinnett indicated his support. He asked if detailed job descriptions had been developed for the new positions. He stated that the City needs to develop and continue a plan that will extend over the next ten years. Chairperson Brown agreed and noted that a consultant will help in developing that plan. Mr. Herring assured everyone that the responsibilities of the new positions would be clearly defined once he is authorized by City Council to establish these two new positions.

Mr. Rosen asked two questions: has the current CCDC staff been consulted about their support of the move; and would it be more prudent to hire the consultant before making any changes that may conflict with the consultant's recommendations. Mr. Herring addressed these questions, noting that Council has not approved any of the recommendations, so his conversations with CCDC staff about moving in-house have been informal. Mayor Nations added that the consultant's job would not be to determine the internal structure of the CCDC or whether or not these two (2) employees should be City employees. It would be to determine how the City could best position itself NOW to insure its future growth, development and prosperity.

Mr. Wenschel said that he understands and commends Mr. Herring for his detailed proposal. He noted, however, that he is not sure the CCDC Board and Joint Study Committee need to co-exist. Why not have the CCDC Board, with the addition of key community members, handle the RFP process and selection of the consultant? Mayor Nations pointed out that, as initially recommended by CCDC, the Joint Study Committee should represent various groups, like the Chamber and Valley Coalition, as well as the CCDC. He also endorsed adding average citizens to this effort. Mr. Herring added that, since the City would be paying for the consultant, the appointment process should be controlled by the Mayor and City Council. He further commented that the Joint Study Committee will not replace the CCDC Board, but work along side it.

Mr. Falgout also agreed with Mr. Herring's proposal, but stressed the City needs to be aware of the economic development networks that exist at all levels—county, state, etc. The consultant should provide some guidance in this area and the City should make sure that they are involved in the proper networks. Mr. Herring commented that one of the first assignments given to the two new positions would be to create a data base of all economic development organizations/agencies within the county, region, and state.

Mr. Elliott thanked the Committee, Mr. Herring and Mayor Nations for their recognition of the current CCDC employees and their many positive efforts. He reiterated that they provide many services for other organizations and asked that these organizations be considered during the CCDC's transitional period. Mr. Herring said that the Chamber and Valley Coalition have been contacted, informally, about working together to replace services that CCDC has previously provided. In addition, Mr. Elliott noted that community is a part of economic development and asked that it be included in the development of the master plan for the City. He commended the use of the word "community" in the title for the Assistant City Administrator for Economic and Community Development position. Councilmember Durrell agreed with Mr. Elliott that community and economy should be balanced within the plan.

Councilmember Brown concluded the discussion by thanking the CCDC Board for its attendance and positive responses. She commended Mr. Herring for the thoroughness of his recommendations.

Councilmember Geiger motioned to recommend to Council that the \$100,000 contained within the FY2005 Budget, under economic development, NOT be paid to CCDC; and that the City Administrator be authorized to utilize those funds to establish two positions, an Assistant to the City Administrator for Economic and Community Development and an Executive Secretary/Administrative Assistant, under his direct supervision. This would enable the function of economic development to be brought in-house. Mr. Geiger added that, if/when approved by City Council, this transition should take place no later than May 1, 2005. Councilmember Durrell seconded. The motion was approved 4-0. Mr. Herring commented that office space had already been prepared for the two new positions; however, he had contemplated CCDC providing all of its current furniture to facilitate this move to City Hall. That furniture, however, was owned by CCDC and would need to be donated to the City of Chesterfield.

Councilmember Geiger noted that he agreed with the financial analysis provided by Mr. Herring regarding current cash assets of the CCDC, as well as their projected fund balances. However, if CCDC experiences a budgetary shortfall as a result of CCDC paying for salary/fringe costs for their two current employees through the end of April 2005, and/or potentially making lease payments for their office space through the end of September 2005, when their current lease expires, the City Administrator should be authorized to cover any such shortfalls. Councilmember Geiger motioned to authorize the City Administrator to make such payments as he deems necessary/appropriate and that he notify City Council of any such actions. Councilmember Casey seconded. The addition was approved 4-0.

Councilmember Geiger motioned to recommend to Council that the City contract directly with Col. Lee McKinney for his consulting services regarding the Monarch-Chesterfield Levee and the U.S. Army Corps of Engineers and continue to fund the \$3500/month from the TIF Fund. Councilmember Durrell seconded. The motion was approved 4-0.

Councilmember Casey suggested that the issues involving the Joint Study Committee and the consultant be dealt with at a later meeting of this Committee, since so many questions arose in relation. The Committee agreed.

3. Other Items

No other items were discussed. The next meeting will be scheduled at a later date.

The meeting was adjourned at 6:45 p.m.