

MEMORANDUM

TO: Michael G. Herring, City Administrator
FROM: Brian Whittle, Assistant Director of Finance and Administration
DATE: October 25, 2011
SUBJECT: Finance and Administration Committee Meeting

The Finance and Administration Committee met on Monday October 24th, 2011. Those in attendance included: Chairperson Mike Casey, Ward III; Councilmember Matt Segal, Ward I; Councilmember Elliot Grissom, Ward II; Councilmember Bob Nation, Ward IV; City Administrator Mike Herring; Director of Finance and Administration, Kelly Vaughn; and, Assistant Director of Finance/Administration Brian Whittle. Those also in attendance included Mayor Bruce Geiger; Councilmember Randy Logan, Ward III; Councilmember Connie Fults, Ward IV; two (2) residents of Ward IV.

Chairperson Mike Casey called the meeting to order at 5:30 p.m.

1. Approval of Minutes—September 26, 2011

Councilmember Nation motioned to approve the minutes from the September 26, 2011 meeting of this Committee. Councilmember Grissom seconded the motion. A voice vote was taken, with a 4-0 result, and the motion was approved.

2. Recommendation Regarding Banking Services

Mr. Whittle reported that the City had received three responses to the banking RFP that was issued as a result of the prior F&A Committee meeting. He noted all three responders, Enterprise Bank, PNC Bank, and UMB Bank, met all the required qualifications, as a depository for City funds. Additionally all three are in good financial health and have a strong reputation in the public finance community. He noted that Enterprise Bank offered the best option for fees and interest by a slight margin; however, that was not enough to offset the fact that their nearest location would require a drive out of the City for the police officers on the daily deposit runs.

He noted that both PNC Bank and UMB Bank offered very similar interest rates and fees. However, based on a typical month's activity, PNC Bank offered the better option to the City. He said that he contacted references at both St. Louis County and Maplewood and both places recommended utilizing PNC Bank.

Mr. Herring stated that he gave Reliance Bank multiple opportunities to respond to the RFP and to address concerns raised at the prior F&A meeting. He then distributed a letter that was sent to the City, earlier this date. Reliance's response lowered the rate to essentially what the other banks were offering, but offered no new information regarding

Reliance Bank's financial condition. Mr. Herring noted that this recommendation can be approved at the Committee level, without further review/discussion, by City Council.

Following additional discussion, Councilmember Nations motioned to approve a two-year banking contract with PNC Bank. Councilmember Segal seconded the motion. A voice vote was taken, with a 4-0 result, and the motion was approved.

3. Discussion re: Assistance Toward Costs of Street Maintenance in Non-Gated Private Street Subdivisions

Councilmember Nation stated that residents who live on private streets, located within non-gated private subdivisions, pay the County Road and Bridge tax but none of those funds are used to repair their streets. He proposed that the City establish a program, whereby a portion of the County Road and Bridge tax, paid by those residents, would be set-aside and used for a cost-sharing program to repair private streets.

Councilmember Segal said that he understood why Councilmember Nation would make the request, out of a sense of fairness. However, he pointed out that residents of private subdivisions made a choice to live in those subdivisions when they bought their home. Additionally, he pointed out that a majority of the streets driven by those residents are public streets. He also pointed out that many residents pay property tax to the public school districts, even though they send their children to private schools. The public schools do not reimburse them for their expenses in doing so. Finally, he noted that the City offered a NID program, which could be used to finance street repairs on private streets.

Councilmember Casey stated that he and fellow Ward III Councilmember, Randy Logan, have never received any complaints from their residents who happen to live on private streets. He questioned the use of public dollars for private purposes.

Councilmember Fults said the program in place uses the money where it will positively affect the greatest number of people.

Mayor Geiger stated that he agreed with the sentiment that a lot of driving is done on public roads and not through subdivisions. He said he would like to help spread awareness of the NID program to assist private subdivisions. He would also be open to private subdivisions working with the City to leverage the City's purchasing power for items like slab replacement.

Councilmember Nation made a motion to ask staff to research a program that would allocate a portion of the County Road and Bridge Tax for a cost-sharing program for repairs to private subdivision streets. The motion died from a lack of a second.

4. Discussion Regarding FY2011 Financial Update

Ms. Vaughn noted that the City's revenues are performing above budget and the City is projecting revenues to finish almost \$600,000 above budget in the General Fund. She said this increase was primarily due to sales tax collections which she estimates will finish approximately \$380,000 over budget and include a one-time settlement from JP Morgan, of approximately \$180,000.

She also noted that this was her last F&A meeting. She thanked Mr. Herring and the Council for the opportunity to work for Chesterfield and said she really enjoyed working for them. She said that she believes the City is on a strong financial footing thanks to steps taken by Mr. Herring and the Council and she believes that there are many positive developments on the horizon.

Chairperson Casey thanked Ms. Vaughn for her many efforts, on behalf of the City and wished her much continued success at her new job, with the City of St. Charles.

5. Adjournment

There being no further business to discuss, Chairperson Casey adjourned the regular meeting at 6:25 p.m. The Committee's next meeting has been tentatively scheduled for Monday, November 28th, at 5:30pm.