

MEMORANDUM

TO: Finance and Administration Committee of City Council
FROM: Jeremy Craig, Director of Finance and Administration
DATE: November 4, 2006
SUBJECT: Finance and Administration Committee Meeting

The Finance and Administration Committee met at 8:30 a.m. on Saturday, November 4, 2006. Those in attendance included Chairperson Bruce Geiger, Ward II, Councilmember Jane Durrell, Ward I, Councilmember Mike Casey, Ward III and Councilmember Mary Brown, Ward IV, City Administrator Mike Herring and Director of Finance and Administration Jeremy Craig. Also in attendance for the 9 a.m. Committee-of-the-Whole discussion regarding the proposed FY2007 Budget were Mayor John Nations, Councilmember Barry Flaschsbart, Ward I, Councilmember Barry Streeter, Ward II, Councilmember Dan Hurt, Ward III, Councilmember Connie Fults, Ward IV, Chief of Police Ray Johnson, Public Works Director/City Engineer Mike Geisel and Assistant City Administrator for Economic and Community Development Libbey Simpson.

1. Approval of Minutes–September 14, 2006

Councilmember Casey motioned to approve the minutes from September 14, 2006. Councilmember Brown seconded and the motion passed 4-0.

2. Review/Approval of Contribution Requests

Mr. Craig noted there were four requests which total \$11,000. Mr. Craig noted, however, that there is only \$4,000 left in the FY2006 Budget for contributions, but the Committee could request a budget amendment if necessary. Mr. Craig also distributed an updated STAGES St. Louis request since the first contained computation errors. The Committee discussed all four items on their merits and past experience. Councilmember Casey made a motion, seconded by Councilmember Durrell, that the City fund contribution requests submitted by STAGES and Piwacket in the amounts of \$3,000 each. The motion passed 4-0. Councilmember Casey then made a motion, seconded by Councilmember Durrell, to defer the requests submitted by both the YMCA and Alliance for Positive Youth until the next meeting of this Committee. Those items are each associated with a proposal, to be discussed by the entire City Council, involving the possible establishment of a line item in the FY2007 Budget. Mr. Craig will work with both agencies to identify what, if anything, contained within their requests relates to FY2006 and what would involve FY2007. He will report back at the next meeting of this Committee.

3. Review/Recommendation for Approval of Budget Amendments

Mr. Craig noted the budget amendments that he forwarded to the Committee prior to this morning's meeting relate to a recommendation from the external auditors (Hochschild Bloom) that the City needs to amend its budget to prevent overages at year end that the auditors would otherwise be required to report as findings. The adjustments presented fall into activity increases or specific items approved by City Council and represent cleanup entries, not new spending requests. Councilmember Casey made a motion, seconded by Councilmember Brown, to recommend approval of these amendments by City Council at the November 20, 2006 City Council meeting. The motion passed 4-0.

4. Budget Work Session

Chairperson Geiger opened the Committee-of-the-Whole FY2007 Budget discussion and asked City Administrator Mike Herring to provide an overview of the proposed budget (a copy of the presentation is attached to these minutes.) Over the next three hours, City Council covered a variety of topics, including the following:

1. The impact of expenditures approved by City Council during 2006 involving the use of fund reserves as well as the general performance of the FY2006 Budget;
2. Projected Fund Reserve totals as of 12/31/07 and how that total compares to the 40 percent City Council policy;
3. Projected Revenues for 2007, including the impact of the sales tax pool and possible opportunities to change the formula and on-going efforts to tax cell phones;
4. Proposed total expenditures, by Department, for 2007;
5. The projected completion of the Chesterfield Valley Redevelopment Plan and the end of the Tax-Increment Financing (TIF) District and the positive impact that will have on the General Fund, the Capital Improvement Sales Tax Fund and the Parks Fund;
6. Proposed new personnel in both the General Fund (5 new employees) and the Parks Fund (2 new employees);
7. Plans to use accumulated Fund Reserves in the Parks Fund to enable having under contract all of the Tier 1 commitments by the end of 2007;
8. Discussion of how Fund Reserves can/will accumulate within the Parks Fund in future years to enable funding of Tier 2 and Tier 3 projects beyond those promised to the voters when Proposition "P" was approved in November 2004. Mr. Herring suggested that a retreat be scheduled during 2007 to enable discussion by the Mayor/City Council of the list of proposed Tier 2 projects prepared by Staff. At that time, decisions can be made regarding the overall prioritization of those projects. Said projects will be funded by accumulated Fund Reserves within the Parks Fund (see discussion regarding dog park below);
9. Discussion of the Capital Improvement Sales Tax budget for 2007;
10. Mr. Herring noted that, overall, both for FY2007 and in subsequent years the City has a very POSITIVE fiscal outlook!

During the discussion, the following specific actions were taken by City Council:

1. A motion was made by Councilmember Durrell, seconded by Councilmember Flachsbarth, that Staff work with the Public Health and Safety Committee to review current police staffing levels and to determine a basis for future staffing levels. Mayor Nations cautioned against adopting any sort of strict formula since many factors could impact future staffing needs, such as the City's actual population, as well as the daytime population, which would include those who work, as well as those who shop/eat, in Chesterfield. It was agreed that future staffing needs in all areas of the operation were best determined on an annual basis. The motion was withdrawn.
2. Council directed Staff to prepare a list of possible capital expenditures to be funded by fund reserves ABOVE the current 40 percent policy requirement.
3. Council brainstormed and created a list of possible projects which may involve use of Fund Reserves as noted in #2 above. Mr. Herring is to work with Staff to put this list into final form, with supplemental information provided, and return same to City Council for further discussion.
4. Councilmember Geiger made a motion, seconded by Councilmember Brown, to fully fund the following items in the FY2007 Budget: Chesterfield Alliance for Positive Youth (\$6,000); bucket truck for Public Works (\$130,000); and a one-time 1 percent contribution to the

- retirement plan for all full-time employees (\$99,000). These items will require a \$7,000 use of Fund Reserves and approximately \$228,000 of previously unallocated General Fund dollars, which Council approved, as part of this motion. The motion passed 8-0.
5. A motion was then made by Chairperson Geiger, seconded by Councilmember Brown, to increase funding for Chesterfield Arts by \$25,000/year to an annual total of \$75,000, with the entire amount coming from the Parks Fund. The motion passed 5-2, with Councilmembers Durrell and Streeter voting “no” (Councilmember Hurt was out of the room at the time and, therefore, unable to vote.) Stacey Morse, Executive Director of Chesterfield Arts, will provide an update to City Council at the November 20th City Council meeting regarding the use of City funds in furtherance of Chesterfield Arts’ mission.
 6. Council discussed the idea of a dog park and how to fund its construction. It was noted that Creve Coeur had recently agreed to fund a dog park at an estimated cost of approximately \$60,000, on property located within an existing City park. Construction of a dog park in Chesterfield could cost as much as \$250,000 depending upon a variety of factors. It was the consensus of Council that this item should be referred to the Public Works/Parks Committee for further discussion. Attention should be given to the cost of maintaining a dog park, as well as the initial cost. Additionally, it was the consensus of Council that no decision should be made regarding a dog park until all of the possible Tier 2 projects for Parks have been reviewed at the retreat mentioned above.

5. Adjournment/Next Meeting

The next meeting was scheduled for 5:30 p.m. on Monday, November 20, 2006.

The meeting was adjourned at 11:45 a.m.