

MEMORANDUM

TO: Michael G. Herring, City Administrator
FROM: Kelly Vaughn, Director of Finance and Administration
DATE: February 10, 2009
SUBJECT: Finance and Administration Committee Meeting

The Finance and Administration Committee met on Monday, February 9, 2009. Those in attendance included: Chairperson Lee Erickson, Ward II; Councilmember Gene Schenberg, Ward I; Councilmember Dan Hurt, Ward III; Councilmember Connie Fults, Ward IV; Mayor John Nations; City Administrator Mike Herring; Director of Finance and Administration Kelly Vaughn; Asst. City Administrator for Economic/Community Development Libbey Malberg; Also in attendance were Councilmember Bruce Geiger, Ward II; Councilmember Bob Nation, Ward IV, and Information Technology Manager Matt Haug.

The meeting was called to order by Chairperson Erickson at 5:32 p.m.

1. Approval of Minutes—October 27, 2008

Councilmember Schenberg motioned to approve the minutes from the October 27, 2008 meeting of this committee. Councilmember Fults seconded the motion. A voice vote was taken, with a unanimous result, and the motion was approved.

2. Discussion Regarding FY2008 Financial Update

Chairperson Erickson first thanked Ms. Vaughn for the financial updates that she had prepared, for discussion at this meeting. In reviewing the information provided by Ms. Vaughn, he suggested that the Committee should, during future meetings, focus on three main financial elements: revenues, with as many comparisons as possible; investments and how secure each is; and, the City's current debt (all funds) and the schedules for repayment of that debt.

Mr. Herring noted that he had already directed Ms. Vaughn to add these items to the agenda for the F&A Committee meeting, scheduled for February 23, 2009. He commented, also, that Mayor Nations had recently requested that this same information be prepared.

Ms. Vaughn stated she had prepared and included in the packet for this meeting, a preliminary financial update for FY2008. She explained that revenues and expenditures for FY2008 would continue through the end of February. She further explained that the preliminary update was based on actual receipts and expenditures, as of January 19, 2009, as well as estimated outstanding revenues and expenditures. Discussion of the financials followed. Ms. Vaughn pointed out that the General Fund and Parks Sales tax revenues

for FY2008 should be close to the FY2008 projections made during the FY2009 budgeting process. She pointed out this is very good news, as the FY2009 budget was prepared based on these projections.

Councilmember Fults was concerned with the decrease in revenue classified as “Intergovernmental Revenue”. Mr. Herring explained that there would be fluctuations within the different types of revenue, but that these fluctuations should offset each other with an end result of total revenue being close to the FY2008 projections.

There was a discussion regarding the Capital Improvement Sales Tax fund. Councilmember Erickson was concerned with the decrease in revenue within the fund due to the current economic conditions. Councilmember Geiger stated that the potential lack of funds for street repairs/maintenance has been a concern. Councilmember Erickson expressed the potential need to supplement the decrease with funds from the General fund in the future. Mr. Herring stated that we are carefully monitoring, and would certainly address any needs should they arise in the future.

Councilmember Nation requested a report comparing the total number of businesses licensed in Chesterfield as of December 31, 2007 as opposed to the total number licensed as of December 31, 2008. Mr. Herring assured everyone that we track that information and will prepare a report for presentation at the next F&A Committee meeting. He also noted that Staff was monitoring the total sales for Dierbergs, Trader Joe’s and Schnucks, subsequent to the opening of the Wal-Mart Supercenter.

Chairperson Erickson again thanked Ms. Vaughn. Mr. Herring assured the members of this Committee that he and Ms. Vaughn understand the importance of these issues and that they would continue to provide detailed updates, at each meeting of this Committee.

3. Discussion Regarding Proposed Contract for Public Relations Services with Casey Communications

Ms. Malberg summarized a proposed contract for public relations services with Casey Communications. She stated she has worked with Casey Communications in the past and that they have developed an impressive clientele. Based on discussions Ms. Malberg has had with Casey Communications, Ms. Malberg believes that Chesterfield is well-positioned to earn even greater positive recognition as a great place to live, work and recreate. She further stated that two marketing objectives would be established. The first objective would be to increase awareness of Chesterfield among development and economic development decision-makers locally, regionally and nationally. The second objective would be to raise awareness and appreciation of Chesterfield as a vibrant place to live and work.

Ms. Malberg stated that the cost for the contract would run approximately \$34,500. Mr. Herring stated that this amount was covered in the FY2009 budget.

Ms. Malberg acknowledged that this is a “want” and not a “need” and suggested that any action on this proposal be tabled until Staff can more fully evaluate the impact of the current economic downturn on City revenues. Mr. Herring commended Ms. Malberg for making the recommendation to table this proposal and offered his support for her recommendation.

Councilmember Fults voiced her concern stating that now is the time that Ms. Malberg should be freed up and able to spend more time focusing on the economic development of Chesterfield. Councilmember Erickson agreed with Councilmember Fults. Councilmember Geiger requested more detail on what Ms. Malberg will be able to focus on, in the event she is relieved of some of the duties that Casey Communications would assume. Councilmember Hurt expressed his admiration of Ms. Malberg’s and Mr. Herring’s recommendation to table the proposal, until economic conditions begin to improve. He also stated he felt now would not be the best time to move forward with Casey Communications.

Mr. Herring stated he feels it is a good proposal and that it makes sense, but that it is simply a timing issue. He further explained that both Ms. Malberg and he respected the perspective of the Committee members and were now looking for direction. Councilmember Fults commended Mr. Herring and his Staff for always “self-policing” and maintaining control over potential excess/unnecessary spending.

Mr. Herring asked the Committee if they wanted to table or move forward with the proposal. All of the members agreed that the proposal makes sense and is worthy of the Committee’s consideration, but requested that Ms. Malberg provide more itemized detail at the next F&A Committee meeting and that action on this proposal be HELD, until then.

4. Discussion Regarding Proposed Technology Shift to Microsoft

Mr. Herring reminded the Committee that City Council had approved funding for this recommendation, in the context of the FY2009 Budget, but had directed Staff to bring this proposal to the F&A Committee, following review by the MIS Citizens Advisory Committee.

Mr. Haug, Information Technology Manager, explained that the City’s current infrastructure is a mix of Novell Netware and Microsoft Windows servers. Novell has reached the end of its development life. Mr. Haug stated that while Novell is certainly still functional, the time is coming that the City will be forced to make the shift from Novell.

Mr. Haug noted that Microsoft has reduced their costs significantly, which has allowed the City to consider this switch. Mr. Haug explained the pricing is in three-year increments, due to the actual purchase of the software license, and having those licenses under software assurance. Software assurance guarantees the latest software from Microsoft for the three-year period, as well as support, maintenance, and access to

Microsoft's online training library for those licensed products for those three years at no additional cost. After the three-year period, the City would own the licenses, and would then only have to purchase software assurance for the next three-year term.

In response to some concerns, previously expressed by City Council, Mr. Haug stated that the City would not be utilizing Vista; instead, the City would continue using Windows XP and move to the next release as soon as it is available.

Councilmember Erickson expressed concern that only three members of the MIS Citizens Advisory Committee were in attendance at the meeting that was held to discuss the technology shift to Microsoft. He called two of the members that were not in attendance and they both were concerned that they were not able to participate in the decision-making process. Councilmember Schenberg noted that he was not able to attend the meeting, but that he had met with Mr. Haug to discuss the proposal, in detail. He noted that he fully supports this change. He then asked Mr. Haug if any members of the MIS Citizens Advisory Committee were opposed to this change. Mr. Haug commented that no one had expressed anything other than support. Councilmember Erickson stated that the members he contacted did not express any concerns with the shift to Microsoft. They were only concerned with not being able to participate in the discussions. Mr. Haug pointed out that he did his best to schedule a time when every member could attend. In fact, when the meeting was scheduled, all members had responded that they would be at the meeting. Councilmember Erickson wanted Staff to do everything possible to enable most, if not all members of the MIS Committee, to attend future meetings. Mr. Haug said he will make sure that happens in the future.

Mr. Herring stated how fortunate the City is to have Mr. Haug leading the IT Division. He commended Mr. Haug for his ability to convey the needs and his recommendations in a way that is easy for all to understand, even though the subject matter is inherently technical and complicated. He assured the Committee that all members of the Management Team (Department Heads and him) supported this change.

Councilmember Fults made a motion to forward to Council a recommendation in support of the City's technology shift to Microsoft. Councilmember Schenberg seconded the motion and the motion passed unanimously.

5. Discussion Regarding Citizens Committee for the Environment Proposed Program: "Stellar Green Youth Team"

Ms. Malberg stated that the Citizens Committee for the Environment (CCE) would like to create a program to recognize youth who have made significant contributions to environmental sustainability within the Chesterfield community. She explained that through their many community programs and events, the CCE has worked with youth who have shown exemplary dedication to environmental conservation. The Committee would like to honor these youth for their civic volunteerism, leadership and dedication to environmental causes. The "Stellar Green Youth Team" designation would be an honor given to youth who have met certain qualifications.

Ms. Malberg clarified that the program would be a distinction only and would not require ongoing participation, programming or cost. The CCE would like the Mayor to present the individuals with a certificate honoring them as a “Stellar Green Youth Team” member, at a yearly designated City Council meeting.

Councilmember Hurt made a motion to forward to City Council. Councilmember Fults seconded the motion and it passed unanimously.

6. Adjournment

There being no further business to discuss, Chairperson Erickson adjourned the meeting at 6:52pm.

7. Next meeting

The next meeting of this Committee has been scheduled for Monday, February 23, 2009, at 5:30PM.