

MEMORANDUM

TO: Members – F&A Committee
FROM: Michael G. Herring, City Administrator
DATE: August 27, 2014
SUBJECT: Minutes of August 25, 2014 F&A Committee Meeting

The Finance and Administration Committee met on August 25, 2014. Committee members in attendance included: Chairperson Derek Grier, Ward II; Councilmember Barry Flachsbart, Ward I; Councilmember Mike Casey, Ward III; Councilmember Bruce DeGroot, Ward IV. Also attending were Mayor Bob Nation; Councilmember Nancy Greenwood, Ward I; Councilmember Elliot Grissom, Ward II; Councilmember Dan Hurt, Ward III; City Administrator Mike Herring; Finance Director Craig White; Community Services/Economic Development Director, Libbey Tucker; Police Chief, Ray Johnson; Director of Public Services, Mike Geisel; and, Management Analyst, James Mello Jr. Guests included the Executive Director of the St. Louis County Municipal League, Tim Fischesser and President of the St. Louis County Municipal League/Mayor of Clarkson Valley, Scott Douglass.

Chairperson Derek Grier called the meeting to order at 5:30 p.m.

1. Approval of Minutes – June 30, 2014

Councilmember Casey motioned to approve the minutes from the June 30, 2014 meeting of this Committee. Councilmember DeGroot seconded the motion. A voice vote was taken, with a unanimous result, and the motion was approved.

2. Discussion Regarding St. Louis County Municipal League

St. Louis County Municipal League President, Mayor Scott Douglass, and Executive Director, Tim Fischesser, were introduced by Chairperson Grier. They then presented a history of the St. Louis County Municipal League and elaborated on some of its recent initiatives including the ongoing administration of the Municipal Park Grant Fund, participation in the new regional Emergency 911 radio system and coordination of St. Louis County municipalities with East-West Gateway Council of Governments and with the State legislature.

Mr. Herring reminded the Committee that the guests had been invited for the purpose of addressing the dues structure for League membership as well as the League's adopted policy/position regarding Sales Tax Distribution, in St. Louis County. Mr. Herring also stated that until recently, the League had remained decidedly neutral on the "Sales Tax" issue until it became the will of the membership to hold a vote and adopt a specific

position. Though this vote was not unanimous, it represented a majority of voting members, at the meeting in January of 2012.

Mr. Fischesser confirmed Mr. Herring's recollection of events regarding the adoption of the "Sales Tax" position. Mr. Fischesser explained that the current dues structure is a tiered system in which municipalities with larger populations, such as Chesterfield and Florissant, pay higher membership dues than smaller municipalities. League members receive a certain number of votes, on any issue, determined by their respective population. St. Louis County, which has the largest population, pays the same dues amount and has the same number of votes, as Chesterfield.

Mr. Fischesser was asked how long St. Louis City and St. Louis County had been dues paying/voting members of the League. Mr. Fischesser stated that both had been members for quite some time, decades perhaps. St. Louis City's membership was noted to be largely symbolic and he could not recall the last meeting they attended nor if they had ever cast a vote on League business.

Mr. Fischesser then explained the League's current position on the sales tax distribution in St. Louis County, as voted on and adopted by its membership. Councilmember Flachsbart and Mayor Nation stated that the position was in direct opposition to the City of Chesterfield's goals. The City of Chesterfield has no interest in adopting the additional ¼ cent sales tax allowed by the current legislation, and does not believe that is a good solution to the true problem at hand, which is the distribution formula itself. Mayor Nation and Councilmember Flachsbart believe that the "50% Loss Cap" plan is not only fair to high revenue generating cities, but also limits significant, direct losses to any specific municipality.

Additional discussion ensued.

Mr. Fischesser and Mayor Douglas were thanked for their time and willingness to present to the Committee and left the meeting.

A discussion ensued regarding the benefits of continuing membership in an organization that, at least on this one very important issue, was working in opposition to the City of Chesterfield's goals.

Councilmember Flachsbart made a motion to cease membership in the St. Louis County Municipal League, seconded by Councilmember Casey.

Additional discussion ensued.

Following this additional discussion, both the motion and the second were withdrawn.

Councilmember Casey made a motion to delay payment of the annual dues to the Municipal League until December 15, 2014. The motion was seconded by Councilmember Flachsbart. A voice vote was taken and the motion was passed 4-0.

3. Proposed Resolution to Oppose Merger and/or Re-entry of St. Louis City/County

Mr. Herring presented the proposed Resolution that he had been instructed to draft by the committee at the previous meeting that would oppose any merger and/or re-entry between St. Louis City and County. Other municipalities have recently passed similar resolutions, and using those as a basis, Mr. Herring created the proposed resolution.

Councilmember Flachsbart made a motion to adopt the proposed Resolution. There was no second and the motion failed, for lack of a second.

4. Proposed City Council Meeting Schedule

Mr. Herring stated that the proposed schedule, as it has been in years past, was created based on recommendations from the Jewish Community Relations Council as to which dates should be avoided due to conflicts with Jewish Holidays.

Councilmember Casey made a motion to recommend the schedule to the full City Council. The motion was seconded by Councilmember Grier. A voice vote was taken and unanimously approved.

5. Employee Compensation Analysis

Mr. Herring introduced and discussed his “Employee Compensation Report”, that was requested at the previous meeting. He stated that this was the first of at least two reports and was not intended to be the final product, but rather, a foundation to work from. He stated that the fiscal strength of Chesterfield is undeniable and has been validated by third party ratings and audits alike. Overall expenditures for personnel, including salaries and benefits, are well below the average. Benefits average only 22% of total payroll, which is below the industry standard of 30-35%. The point being, as confirmed by a variety of metrics and benchmarks, the City is not facing any imminent fiscal crisis, in general, nor as a direct result of the pay and benefits provided to its employees.

Councilmember Hurt stated that the metrics used in the report were not as comprehensive as they could be and asked to see compensation comparisons made with private sector entities in addition to other public sector entities. There was not a consensus from the Committee that this comparison should be made.

Councilmember Flachsbart stated that he would like to see a direct ranking of municipal compensation in the St. Louis Area on a position by position basis. He stated that he had requested this information at the previous meeting and was disappointed that it was not included in this initial report. Mr. Herring again noted that this specific information would be forwarded to the members of this Committee, at the next meeting.

Mayor Nation stated that he, as well as the Councilmembers, are committed to attracting and retaining the best employees, but want this information to ensure that the

compensation incentives being used to accomplish this are both reasonable and sustainable. Mayor Nation asked to see a comparison of compensation to CPI.

Mr. Herring acknowledged these comments and stated that he and Staff would specifically address them, in subsequent reports. This first summary/analysis is the first of its kind for Chesterfield and it is his intent to make it as comprehensive and useful as he can in regards to both the immediate questions/concerns of the Committee, but also as a reference point in the future. Mr. Herring re-affirmed that the next step is to present a report describing the mechanics of the City's pay plan and all questions regarding the relative ranking of employees, as compared to the municipal market place.

6. Adjournment

There being no further business to discuss, Chairperson Grier adjourned the meeting at 6:57 p.m.