



**Finance and Administration Committee of the Whole
Record of Proceeding
October 27, 2020**

The Finance and Administration Committee of the Whole met on October 27, 2020. Those in attendance included: Chairperson Barbara McGuinness, Ward I; Council Committee Member Mary Ann Mastorakos, Ward II; Council Committee Member Michael Moore, Ward III; Council Committee Member Tom DeCampi, Ward IV; City Administrator Mike Geisel; and Finance Director Jeannette Kelly. Those also in attendance included: Mayor Bob Nation; Councilmember Mary Monachella, Ward I; Councilmember Ben Keathley, Ward II; Councilmember Dan Hurt, Ward III; Councilmember Michelle Ohley, Ward IV; City Attorney Chris Graville; Director of Parks, Recreation and Arts Thomas McCarthy; Information Technology Director Matt Haug; Director of Public Works/City Engineer Jim Eckrich; Director of Planning Justin Wyse; Police Chief Ray Johnson; and City Clerk Vickie McGownd.

Chairperson Barbara McGuinness called the meeting to order at 4:00 p.m.

Approval of Minutes

Chairperson McGuinness asked if there were any comments or changes to the October 6, 2020 F&A Committee of the Whole minutes. Hearing none, Councilmember Mastorakos made a motion, seconded by Councilmember Moore, to approve the October 6, 2020 F&A Committee of the Whole minutes. A voice vote was taken with a unanimous affirmative result and the motion was declared passed.

No Shave November Discussion

City Administrator Mike Geisel and Chief Ray Johnson informed City Council that last year the Police Department had a charitable event where police officers were able to voluntarily contribute \$50 in order to go the month of November without shaving. As a result, \$2,500 was donated to a charitable organization (Friends of Kids with Cancer). Mr. Geisel stated that this is something that he would ordinarily approve administratively, but given recent discussions about facial hair in the Police Department, he wanted the knowledge and consent of Council. No one spoke in opposition to this charitable event.

Summary of Budget Changes Since Last Meeting

Finance Director Jeannette Kelly summarized changes made to the proposed budget based on the October 6 Budget Workshop. She continued by explaining that the effective debt schedule has been recalculated to include the purchase of approximately eight acres near Central Park. This debt schedule reflects the debt payments after utilizing the pre-paid debt reserve funds that have been earmarked to date in the amount of approximately \$6 million. The total debt service increased by \$4.1 million with the land acquisition and refunding of the 2014 Certificates of Participation (COPs), for a total effective debt of \$23.6 million. The series 2020 debt for the parkland acquisition and refunding of the 2014 COPs pays off the debt two years early (in 2029 instead of 2031) and saves the City \$720,000 over the life of the debt, due to lower interest rates and the shorter term. City Administrator Mike Geisel pointed out the difference between effective debt and actual debt is the \$6 million that has been set aside in the pre-paid debt reserve.

The new series 2020 debt payments for Parks and City Hall combined will be approximately \$4.5 million annually for the years 2021 through 2025. After the 2013 COPs debt is paid in full in 2025, the remaining annual debt payments will drop to approximately \$1.9 million annually for the years 2026 through 2029. Since the City Hall debt is paid in full in 2022, the COPs series 2020 debt payments increase significantly in 2023; therefore, Staff is proposing a 2020 transfer from fund reserves in the amount of \$538,200 to pre-paid debt reserve to provide uniform debt service for the land acquisition and seed the initial payment for 2021.

Councilmember McGuinness made a motion, seconded by Councilmember Hurt, to transfer \$538,200 from fund reserves to 2021 debt service for land. A roll call vote was taken with the following results: Ayes – McGuinness, Mastorakos, Hurt, Keathley, Monachella, Ohley, Moore and DeCampi. Nays – None. The motion was declared passed.

Based on the 2021 proposed budget and the \$538,200 transfer just approved, the unreserved fund reserve balance as of December 31, 2021 is projected to be approximately \$9.4 million before the impact of a merit pool increase. This amount includes funding for the 2021 Emerald Ash Borer and Snow Removal Reimbursement programs, and is almost \$2 million above the 40% policy threshold.

Merit Pool

After reminding everyone that the pandemic strategy (adopted by Council on May 18, 2020) eliminated budgeted merit increases for 2020, Councilmember McGuinness made a motion, seconded by Councilmember Monachella, to include a 2.5% merit increase in the 2021 budget to begin effective July 1, 2021. Discussion ensued. A roll call vote was taken with the following results: Ayes – Moore, McGuinness, Mastorakos, Monachella and Hurt. Nays – DeCampi, Ohley and Keathley. The motion was declared passed.

Chamber Discussion

Councilmember McGuinness raised questions of equal protection and equal access in response to a request from the Chamber of Commerce dated October 6, 2020 for financial support from the City of Chesterfield. Upon receipt of the Chamber's request Mayor Nation instructed City Administrator Mike Geisel to prepare a list of in-kind services provided to the Chamber that have not traditionally been budgeted or approved by Council. Mr. Geisel provided the list of in-kind services and stated that pursuant to direction from previous administration, the Chamber of Commerce has been treated as if they were a co-sponsor of a City event in order to receive in-kind services from the City, and the City has been operating under that assumption for years.

Councilmember Keathley stated that the City spends approximately \$40,000 each year on printing and mailing the Citizen Newsletter. He suggested exploring the possibility of reducing this cost and providing more efficient delivery of services by working with the Chamber of Commerce and preparing the Citizen Newsletter to coincide with the Chamber's quarterly newsletter "Out & About". Councilmember Keathley made a motion, seconded by Councilmember Ohley, to explore the possibility of working with the Chamber of Commerce and using \$40,000 budgeted for the Citizen Newsletter to combine it with the Chamber's Out & About publication.

City Attorney Chris Graville recommended the creation of a policy/procedure to define what constitutes a public purpose and include criteria for granting a public benefit. This type of policy would provide guidance for City Council in determining who is eligible to receive public resources. Lengthy discussion ensued.

Councilmember Moore made a motion, seconded by Councilmember McGuinness, to amend the original motion by directing Staff to create a definition of what constitutes a public purpose and develop a procedure for granting public benefits to outside entities before exploring the possibility of subcontracting the Citizen Newsletter to any other entity. A roll call vote was taken on the motion to amend with the following results: Ayes – Moore, Hurt, McGuinness, Mastorakos and Monachella. Nays – Ohley, DeCampi and Keathley. The motion to amend was declared passed.

A roll call vote was taken on the original motion as amended, with the following results: Ayes – Hurt, DeCampi, Mastorakos, Keathley, Moore, Ohley and Monachella. Nays – McGuinness. The motion, as amended, was declared passed.

Councilmember McGuinness made a motion, seconded by Councilmember Moore, to immediately stop providing any other entity with services or activities that are not budgeted until a public purpose policy is approved by Council. Discussion ensued.

Councilmember Hurt made a motion, seconded by Councilmember Keathley, to amend the original motion by requiring the public purpose policy to be completed and approved by the first City Council meeting in January 2021. A roll call vote was taken on the

amendment with the following results: Ayes – Moore, Monachella, Ohley, Hurt, DeCampi, McGuinness and Keathley. Nays – Mastorakos. The motion to amend was declared passed.

A roll call vote was taken on the original motion as amended, with the following results: Ayes – Mastorakos, Monachella, Keathley, McGuinness, Moore, Hurt, Ohley and DeCampi. Nays – None. The motion, as amended, was declared passed.

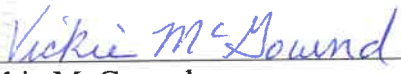
Adjournment

The meeting was adjourned at 6:40 p.m.

Respectfully submitted:



Mike Geisel
City Administrator



Vickie McGownd
City Clerk

APPROVED: 11/30/2020