

MEMORANDUM

TO: Mike Geisel, City Administrator
FROM: James Mello – Management Analyst
DATE: September 27, 2016
SUBJECT: Minutes – 9-26-16

The Finance and Administration Committee of the Whole met on September 26, 2016. Those in attendance included: Chairperson Bruce DeGroot, Ward IV; Council Committee Member Barry Flachsbart, Ward I; Council Committee Member Guy Tilman, Ward II; Council Committee Member Randy Logan, Ward III; City Administrator Mike Geisel; Finance Director Craig White. Those also in attendance included: Mayor Bob Nation, Councilmember Barbara McGuinness, Ward I; Councilmember Bridget Nations, Ward II; Councilmember Dan Hurt, Ward III; Councilmember Tom DeCampi, Ward IV; Information Technology Director Matt Haug; Public Works Director Jim Eckrich; Parks, Recreation, & Arts Director Tom McCarthy; Planning and Development Services Director Aimee Nassif; Police Chief Ray Johnson; Police Captain Ed Nestor; Police Captain Steve Lewis; City Clerk Vickie Haas; Management Analyst James Mello Jr and 4 members of the public.

Chairperson Bruce DeGroot called the meeting to order at 5:30 p.m.

I. Approval of Minutes from July 25, 2016

Chairperson DeGroot asked if there were any comments or changes to the July 25, 2016 F&A Committee Minutes. Hearing none, Councilmember Flachsbart motioned to approve the Minutes. Chairperson DeGroot seconded the motion. A voice vote was taken, with a unanimous result 7-0, and the motion was approved.

II A. Credit Card Policy

Councilmember Tom DeCampi arrived at this time.

Craig White, Finance Director, provided a summary of current credit card practices, the card holders with the City, and the need to formalize the current process into policy.

Councilmember Flachsbart made a motion to recommend the adoption of the policy to Council. The motion was seconded by Chairperson DeGroot. During discussion, Councilmember McGuinness asked what sorts of purchases were made with credit cards and it was explained that, in general, Directors use the cards for online purchases such as travel and membership renewals and by Superintendents for supplies. Additional discussion ensued regarding the notification of the City in the event of a lost or stolen card. Councilmember McGuinness made a motion to amend the policy with the addition that the City be notified in the event of a lost or stolen card. The motion was seconded by

Councilmember Logan. A voice vote was taken, with a unanimous result 8-0, and the motion was approved. There being no additional discussion, a voice vote was taken to approve the policy as amended, with a unanimous result 8-0, and the motion was approved.

Councilmember McGuinness requested that a monthly report of all credit card activity be provided to her.

II B. Review of “Transparency Portal” (Financial Document Center)

Mr. White, per Committee Chair DeGroot’s request, reviewed the contents of the Financial Document Center Page.

Councilmember McGuinness clarified that the \$5,000 threshold on the Excess Checks Registers had been established by the Committee, and could be altered at Council discretion.

Councilmember Hurt inquired who was authorized to issue City Checks, and it was clarified by Mr. Geisel and Mr. White that electronic signatures are placed on each check. Checks over \$5,000 require a written signature. The key controls come from the expense approval process which requires tiered approvals from Department heads, the Accounts Payable Clerk, and Finance Director before the system will generate a check. Each reviewer ensures that the item was budgeted, adheres to the City’s purchasing Policy, and contains appropriate supporting documentation. The City does not maintain a blank check stock.

There was general consensus that the Financial Document Center information was appropriate and well presented. There were no requests for changes at this time.

Before moving on to the Budget Workshop portion, but still under New Business, Councilmember Tilman requested that staff review the existing terms and status of the Finance & Administration Citizen Advisory Committee members. It was noted that the Committee had not met in many years. Councilmember Tilman made a motion to direct staff to review its purpose and ongoing necessity and present it at the next meeting, including a copy of Ordinance 558 which established the Committee. The motion was seconded by Councilmember Flachsbart. A voice vote was taken, with a unanimous result 8-0, and the motion was approved.

II C. Budget Workshop I

Mr. Geisel reminded everyone that this meeting was only the first of three budget workshops, the next of which was scheduled for October 24th, and its purpose was to review the drafted budget and strategy, solicit feedback from the Council, and discuss central issues such as contribution/sponsorship funds/policy, and adopt or amend the strategy/plan so a more refined version could be produced at future meetings.

Mr. Geisel then reviewed conclusions from the “Finance 101” meeting and the resulting budget strategy/plan that staff had developed and presented via memo to the Council dated September 14, 2016. In general, the budget as proposed is \$39,973 net positive, includes traditional levels of funding in identified sponsorship/contribution accounts, temporarily includes a 2.5% merit increase pool until such time as the F&A Committee provides the desired value, and identified \$1.16 million dollars of capital projects/programs that would be taken out of the \$2.4 million General Fund – Fund Reserves in excess of the 40% reserve policy. The five capital projects/programs identified are the snow removal reimbursement program, emerald ash borer project (year two), facility security improvements, comprehensive plan and traffic model update, and a document management system. Mr. Geisel clarified that these items are NOT being considered or approved as a part of the FY2017 budget, but were identified as priorities and would be brought individually before Council for consideration and approval during 2017.

Councilmember Hurt asked when the last time the traffic model had been updated, and Mr. Geisel estimated that it was last updated 7 years ago.

Councilmember McGuinness clarified what a document management system is and its uses. Councilmember Hurt confirmed that it would be reviewed and recommended by the Management Information Systems Citizen Advisory Committee (MISCAC) before being presented to Council.

Councilmember DeCampi inquired if the emerald ash borer program was state mandated and it was clarified that it was not. To remediate the issue, it was determined that a 7 year process would be needed and the project is currently on schedule, however, at the Council’s discretion, the program could be terminated. Councilmember Logan discussed his experience with an Ash tree that appeared perfectly healthy yet a large limb unexpectedly broke off exposing a severely damaged tree. He inquired if staff was comfortable with the EAB project timetable. Mr. Geisel elaborated on the unique characteristics of the EAB, which result in a rapid and brittle decay, but expressed that staff was comfortable with the progress of the planned seven year program.

Mayor Nation expressed his opinion that the reserve policy may need to increase from the current 40%.

There was a general consensus of the Council that there were no major concerns with any of the General Fund – Fund Reserve capital projects/programs at this time.

Councilmember DeGroot posited that funds allotted to sponsorships and community contributions were niceties, but non-essential and should be considered for removal. Councilmember Flachsbart responded that supporting and sustaining the arts, which programs such as Stages and the Civic Orchestra do, is a quality of life issue that the City cannot replicate on its own and is critical for attracting and retaining good corporate citizens as well as providing a benefit to residents. Councilmember Tilman stated he could not make a decision one way or the other without more information about what

exactly these organizations do with the funding the City provides and how it directly benefits Chesterfield residents and businesses. Councilmember McGuinness stated that Missouri Constitution requires tax payer dollars to be spent for a public purpose, which the City cannot ensure is being done when providing funds to an outside organization. A general discussion ensued.

Councilmember McGuinness made a motion to eliminate the “F&A directed contributions” line item from the budget (\$6,000 from Account 036-5214). Councilmember DeCampi seconded the motion. A voice vote was taken and was approved by a vote of 7-1, with Councilmember Flachsbart voting against the motion.

Mr. Geisel moved on to explain significant changes from FY2016 in the FY2017 budget, which included additional expenditures on Police Vehicles, increase in City Hall debt service, codification expenses, tuition reimbursement funds, semi-annual Citizen Appreciation Dinner, and personnel expenditure increases. Mr. Geisel noted that the FY2017 revenues were budgeted to increase by approximately \$350,000 over FY2016 and reiterated that the proposed budget is \$39,973 net positive.

Councilmember McGuinness clarified the life, use and process to replace police vehicles as well as the overall City vehicle fleet strength.

Councilmember Hurt clarified that the overall headcount for FY2017 was decreasing by one person. He then stated that he would like another Elementary School Resource Officer to be considered in the future.

Mr. Geisel continued with a General Fund division summary, reviewed revenues and expenditures, and presented itemized capital purchases in the fund. Mr. Geisel stated that the General Fund – Fund Reserve was budgeted to end FY2017 at \$2,343,107 above the 40% reserve policy.

Mr. Geisel reviewed the Parks Sales Tax Fund, including a summary of revenues and expenditures, as well as presenting itemized capital purchases in the fund. He highlighted the expansion of commercial use of the amphitheater proposed for 2017, including ticketed events and music festivals with projected revenues of \$180,000 which are included in the current draft budget proposal.

Parks, Recreation, and Arts Director, Tom McCarthy, explained the need for an In House Sound System for the Amphitheatre. Mr. McCarthy reviewed the financial advantage to owning versus renting the system and the payback period to the City. Mr. McCarthy also cited other municipalities with similar facilities that had benefited from an In House System.

Mr. Geisel next reviewed the budgeted expenditures in the Capital Improvement Sales Tax Fund.

Concluding his planned presentation, Mr. Geisel asked for any general questions or discussion about the FY2017 Budget.

Councilmember Logan asked for clarification about what the “Park Amenities” line item covered as well as the expenditures for the Safety Town program.

Councilmember Logan suggested that the City make inquiries as to the long term impact to revenues that a transition to electric or alternative fuel vehicles might have.

Councilmember Tilman asked which budget line items were for “art programs” and Mr. McCarthy identified them.

Councilmember McGuinness asked that, due to time constraints, if it would be possible to meet again prior to the next Council Meeting on October 5th. There was a general consensus to schedule another Finance & Administration Committee of the Whole Meeting at 5 PM, October 5, 2016.

Mr. Geisel asked the Council if they were prepared to adopt, amend, or reject the strategy plan as it stood to give staff additional guidance on how to proceed. Following a brief discussion, it was determined that more time and information was needed prior to any such action.

11. Adjournment

The meeting was adjourned at 7:00 pm.