



**Finance and Administration Committee of the Whole
Record of Proceeding
September 25, 2017**

The Finance and Administration Committee of the Whole met on September 25, 2017. Those in attendance included: Chairperson Tom DeCampi, Ward IV; Council Committee Member Barbara McGuinness, Ward I; Council Committee Member Ben Keathley, Ward II; Council Committee Member Randy Logan, Ward III; City Administrator Mike Geisel; and Finance Director Joan Jadali. Those also in attendance included: Mayor Bob Nation; Councilmember Barry Flachsbart, Ward I; Councilmember Guy Tilman, Ward II; Councilmember Dan Hurt, Ward III; Councilmember Michelle Ohley, Ward IV; City Attorney Chris Graville; Assistant City Administrator Libbey Tucker; Information Technology Director Matt Haug; Public Works Director/City Engineer Jim Eckrich; Planning and Development Services Director Justin Wyse; Police Chief Ray Johnson; and City Clerk Vickie Hass.

Chairperson Tom DeCampi called the meeting to order at 5:32 p.m.

Approval of Minutes

Chairperson DeCampi asked if there were any comments or changes to the June 26, 2017 F&A Committee Minutes. Hearing none, Councilmember McGuinness made a motion, seconded by Councilmember Ohley, to approve the minutes. A voice vote was taken with a unanimous affirmative result and the motion was declared passed.

Councilmember McGuinness made a motion, seconded by Councilmember Ohley, to suspend the rules and move Item II-C(4) Parkway School Resource Officer Request to follow Item II-A (Municipal League of Metro St. Louis dues 2017-18); and move Item II-B (Compensation Plan Proposal) to follow Item II-C (Budget Workshop). A voice vote was taken with a unanimous affirmative result and the motion was declared passed.

Municipal League of Metro St. Louis Dues

Finance Director Joan Jadali presented a dues statement for 2017-2018 from Municipal League of Metro St. Louis in the amount of \$7,122. Mr. Geisel reminded Council that this is an approved budget item for 2017, but Staff was directed to bring it before the Committee before processing payment. Councilmember Logan made a motion, seconded

by Councilmember Flachsbar, to approve payment, and instructed Staff to also bring next year's statement to the Committee before processing payment. A voice vote was taken with a unanimous affirmative result and the motion was declared passed.

Parkway School Resource Officer Request

Mr. Geisel informed the Committee that the City has received a letter from Parkway School District requesting an increase in the proportion the City pays for the School Resource Officers (SROs) provided to the school district. The City of Chesterfield currently pays 25% of the cost and the school district pays 75%. This ratio is based on a nine month school year when the school district has full use of the SROs.

Councilmember McGuinness made a motion, seconded by Councilmember Logan, to deny the request for additional funding for SROs. A voice vote was taken with a unanimous affirmative result and the motion was declared passed.

Budget Workshop

Ms. Jadali presented an overview of the City's three major funds (Capital Improvement Sales Tax Fund, Parks Sales Tax Fund and General Fund) to the Committee of the Whole. Capital Improvement Sales Tax Fund projected revenue for 2017 is expected to be \$8,438,654, and total revenue for Capital Improvement Sales Tax Fund is anticipated to be \$6,920,315 in 2018. The Capital Improvement Sales Tax Fund is projected to have positive net revenues of \$32,396 at the end of 2018.

Parks Sales Tax Fund projected revenue for 2017 is expected to be \$8,895,492, and total revenue for Parks Sales Tax Fund is anticipated to be \$9,058,890 in 2018. The Parks Sales Tax Fund is projected to have positive net revenues of \$51,713 at the end of 2018.

General Fund projected revenue for 2017 is expected to be \$22,339,790, and total revenue for the General Fund is anticipated to be \$24,378,659 in 2018. The fund reserve balance is projected to be \$7,485,971 at the end of 2017. Accounting for an anticipated net change of fund balance of \$3,683,000, General Fund fund balance is estimated to be \$11,169,152 at the end of 2018. This amount is \$4.9 million above the 40% threshold, and includes \$2.3 million in Prop P revenue. Mr. Geisel reminded Council that this figure does not include certain projects that have not yet been approved by Council, such as the Emerald Ash Borer (EAB) project, snow removal reimbursement, Fraternal Order of Police (FOP), and merit increases.

Mayor Nation posed the question whether it may be a good idea to increase the fund reserve policy from the current 40%. There was discussion that it would have no impact on day to day operations, and it would reduce the total amount available for budgeting. Since funds are expected to be tight for the next few years, it would not make sense to encumber any additional funds when there are no serious concerns with any of the General Fund – Fund Reserve capital projects/programs at this time.

Mr. Geisel pointed out that Debt service steadily increases in the Parks Fund until 2025, when the debt service drops by \$2 million per year. Sales tax revenues are down \$420,000 which is \$219,000 below 2016 sales tax levels. But overall, even though the sales tax is down, the total proposed expenditures for 2018 are down \$348,000. In total, parks revenues are up. The Amphitheater revenue alone is up \$137,000 over 2016. Overall, Parks revenues are up 1.8%. The Amphitheater will continue to be used as a revenue generator by holding more ticketed events.

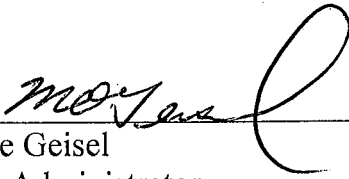
Mr. Geisel stated that it has been a long time concern that the City does not have an Assistant Director of Finance. For internal control reasons, redundancy as far as turnover, and assistance with the human resource function, it makes sense to add this position. Chair DeCampi asked what the qualifications would be for this position. Ms. Jadali responded that she would expect someone with an accounting degree and at least three years of experience. Municipal government experience would also be a plus. She would not ask for a CPA (Certified Public Accountant), but would encourage a CPFO (Certified Public Finance Officer) requirement. Councilmember Flachsbart made a motion, seconded by Councilmember Logan, to add the position of Assistant Director of Finance to the budget at a starting salary of \$70,000-75,000 per Mr. Geisel's memorandum dated September 20, 2017. A roll call vote was taken with the following results: Ayes – Hurt, Logan, Tilman, Keathley, McGuinness, Ohley, Flachsbart and DeCampi. Nays – None. Whereupon the motion was declared passed.

The Committee of the Whole agreed to schedule another meeting for Monday, October 9 in order to address the remaining items on this agenda: Compensation Plan Proposal and Merit Pool (CBIZ).

Adjournment

The meeting was adjourned at 7:39 p.m.

Respectfully submitted:



Mike Geisel
City Administrator




Vickie Hass
City Clerk

APPROVED: 10/9/17