

MEMORANDUM

TO: Finance and Administration Committee of City Council

FROM: Jan Hawn, Director of Finance and Administration

DATE: August 22, 2001

SUBJECT: FINANCE AND ADMINISTRATION COMMITTEE MEETING

The Finance and Administration Committee met Wednesday, August 22, 2001. Those in attendance included Chairperson Jane Durrell, Councilmember, Ward I, Councilmember Bruce Geiger, Ward II, and Councilmember Dan Hurt, Ward, Ward III. Councilmember Mary Brown, Ward IV was absent. Also in attendance were Assistant Director of Public Works Brian McGownd, Director of Planning Teresa Price, Michael Hurlbert, City Administrator Mike Herring, Director of Finance and Administration Jan Hawn, Executive Secretary Shirley Yost and Calvin Dresser, Chesterfield resident.

The meeting was called to order by Chairperson Durrell at 5:30 p.m.

[*Items to be discussed at the City Council meeting on September 5, 2001.]

1. Approval of Minutes – April 25, 2001

Councilmember Hurt made a motion that the minutes from April 25, 2001 be approved. Councilmember Geiger seconded the motion. The motion was approved 2-0, with Councilmember Geiger abstaining.

3. Sewer Lateral Program

Chairperson Durrell introduced Calvin Dresser, a Chesterfield resident that resides at 14985 Conway Rd. Mr. Dresser explained to the Committee that he had recently discovered the need to have his sewer lateral repaired. He stated that Mr. McGownd had told him that the City had received a large amount of Sewer Lateral Repair applications and currently the City is holding the remaining funds in reserve for "Emergency Repairs" only. Mr. Dresser told the Committee that he understood the City was currently unable to reimburse him but he asked if the City would be able to put his name on a list to be reimbursed next year. He stated that he was personally prepared to pay for the repairs either way.

Mr. Herring told the Committee that the money for the Sewer Lateral Repair program has been virtually exhausted due to the large number of repair requests, during the first year of this program. He further indicated that the Public Works/Park Committee had discussed the issue and had asked Doug Beach, City Attorney, to verify if this

reimbursement method would be legal and/or if the City could legally use General Fund monies as a “loan” to the Sewer Lateral Fund.

Chairperson Durrell indicated that she would be interested in using Contingency Funds for the Sewer Lateral Program until next year’s funds were received. She stated that she felt strongly that the City had entered into a contract with Chesterfield residents and that the City should respond to sewer lateral repair requests, as soon as possible, even if funds from the City’s contingency account must be used. Mr. suggested waiting for Doug Beach’s legal opinion as to whether contingency funds could be transferred to the Sewer Lateral Program. Councilmember Hurt cautioned that transferring contingency funds could be setting a precedent. Councilmember Geiger asked if the City had enough money in the Contingency Account to finance all the sewer lateral requests now pending. Ms. Hawn stated that there would not be enough funds in the Contingency Account to cover all the outstanding sewer lateral repair requests.

Mr. Herring stated that the Sewer Lateral Program was not established with a commitment to fund all repairs in the first year. The City committed to fund all repairs that could be made with the funds received that year. He stated that other cities that had similar programs all experienced a large number of repair requests the first three years; however, during subsequent years, fewer repair requests were received and the program funds stabilized.

It was the consensus of the Committee, pending approval by the City Attorney, to reimburse Mr. Dresser for expenses paid directly by him, as new funds become available.

2. Census 2000/Redistricting

Mr. Herring told the Committee that Staff had been working on verifying the 2000 Census data. He stated that Staff has found nothing to base an appeal on at this time. He went on to say that Staff is still working on the project. Mr. Herring further stated that the process of redistricting the wards was proceeding smoothly. Staff is utilizing Census data to equalize the wards based on the “one person, one vote” principle. Ms. Hawn told the Committee that Staff would be submitting four or five options for redistricting in the next three or four weeks. Mr. Herring told the Committee that individual City Council members and the Mayor would receive the information and then a special Finance and Administration Committee meeting would be scheduled to discuss redistricting.

4. Self-Insurance Update

Mr. Herring stated that he and Ms. Hawn had looked into the possibility of the City becoming self-insured for medical coverage. He stated that The Daniel & Henry Company performed an analysis recently that showed that, contrary to previous years, the City had higher health insurance expenses over the last year than the insurance premiums paid by the City and its employees. The Daniel & Henry Company recommended against going to a self-insurance program at this time. Mr. Herring indicated that he would

explore the possibility again with next year's renewal. The Committee thanked Ms. Hawn and Mr. Herring for their efforts and accepted this as information.

***5. Retirement Plan Update**

Ms. Hawn told the Committee that our pension counsel, Pam Perdue of Summers, Compton, Wells & Hamburg, had been asked to redraft the City of Chesterfield's Retirement Plan Document. She noted that the original Plan Document had not been rewritten since the original adoption in 1989 and that that several changes in Federal law mandated an update to the Plan. She further mentioned that a series of amendments made by the City to the Plan Document had made it more difficult to read.

Ms. Hawn further stated that, after checking with other local municipalities who have defined contribution plans, it was noted that they all are making their contributions to their retirement plans on a bi-weekly basis. The City of Chesterfield is currently making its deposits quarterly. She stated that the financial effect on the budget would be minimal.

Councilmember Geiger made a motion to recommend that Council adopt the revised Plan Document for the City of Chesterfield's Retirement Plan. Councilmember Hurt seconded the motion. The motion was approved 3-0.

6. TIF Refunding Update

Ms. Hawn told the Committee that the activities related to the TIF Refunding were moving ahead. She noted that the credit packet and request for proposals for the underwriting are currently being prepared; the recommendation for the underwriter is scheduled to be on the Council agenda on October 3, 2001, with Bond pricing scheduled November 14, 2001, at which time the City Council will probably have to hold a special meeting to approve the bond sale. The Committee accepted the update as information.

7. Discussion regarding dedication and open house for new Government Center

Mr. Herring stated that plans for the Dedication and Open House for the new Government Center was underway. The Committee discussed various plans and agreed that the dedication/open house should be held early in March 2002, on two separate weekends. The formal Dedication would be by invitation only and the second open house would be more informal and open to the Public.

The Committee discussed whether a time capsule should be planted at the dedication and what it should contain. It was decided that suggestions of things to go into the time capsule should be e-mailed to Mr. Herring and he would compile a list.

The Committee discussed the dedication plaques for the new Government Center. It was determined that Councilmember Durrell, Councilmember Brown, and City Clerk Marty

DeMay meet and discuss the type of plaques and the appropriate recognition of names and bring their recommendations back to the Committee.

8. Contribution Requests

The Committee discussed whether to keep the \$2,000 contribution limit or to change the program policy guidelines. After discussion, the Committee decided not to change the current Contribution Policy.

9. Other - Recycling Carts

Chairperson Durrell mentioned that a resident in her Ward had expressed an interest in selling a recycling bin cart that she had invented. The Committee discussed the issue and decided that there were concerns about the City endorsing any particular product or company, as well as the logistics of selling, storing and charging sales tax for the carts. It was agreed that the resident should contact Darcy Capstick, Chairperson for the Citizens Committee for the Environment, and ask about distributing literature for her product at the Earth Day event in the Spring.

10. Other/Next Meeting

The next meeting of the Finance and Administration Committee will be held on October 24, 2001 at 5:30 p.m.

Councilmember Geiger made a motion to adjourn. Councilmember Hurt seconded the motion. The motion was approved 3-0. The meeting adjourned at 7:30 p.m.