

MEMORANDUM

TO: Mike Geisel, City Administrator

FROM: Craig White, Finance Director

DATE: May 10, 2017

SUBJECT: Finance & Administration Committee
May 8, 2017

The Finance & Administration Committee met on Monday, May 8, 2017. Those in attendance included: Chairman Tom DeCampi, Ward IV, Councilmember Barb McGuinness, Ward I; and Councilmember Randy Logan, Ward III.

Councilmember Ben Keathley, Ward II, was not present at the beginning of the meeting.

Those also in attendance included: Councilmember Guy Tilman, Ward II; Councilmember Dan Hurt, Ward III; Councilmember Michelle Ohley, Ward IV; Chris Graville, City Attorney; Mike Geisel, City Administrator; Craig White, Finance Director; Libbey Tucker, Assistant City Administrator; Matt Haug, Information Technology Director; Ray Johnson, Police Chief; and seven members of the public.

Chairman DeCampi called the meeting to order at 5:30 p.m.

I. APPROVAL OF MINUTES

Councilmember McGuinness made a motion to approve the minutes of the February 27, 2017 Committee Meeting. The motion was seconded by Councilmember Logan and passed by a voice vote of 3 to 0.

II. NEW BUSINESS

A. Selection of Vice-Chair

Councilmember Keathley joined the meeting at 5:34 pm.

Chairman DeCampi motioned to approve Councilmember McGuinness as Vice-Chair of the Finance & Administration Committee. The motion was seconded by Councilmember Keathley and passed by a voice vote of 4 to 0.

B. Selection of Ex Officio Liaison Member to the F&A Citizens' Advisory Committee

Craig White, Finance Director, indicated that the position was vacated with Councilmember Tilman no longer being a member of the F&A Committee and needed to

be filled by a current Committee Member. The position is responsible for filling the vacant Committee seats and assisting the Advisory Committee as they fulfill their defined responsibilities.

Councilmember McGuinness motioned to nominate Councilmember Keathley as the Ex Officio Liaison Member to the F&A Citizens' Advisory Committee. The motion was seconded by Councilmember Logan and passed by a voice vote of 4 to 0.

C. 2017 F&A Committee Meeting Schedule

Mr. White introduced the 2017 F&A Committee Meeting Schedule for informational purposes noting that it contains meetings that are scheduled and will automatically take place without action from the Committee (with the exception of the May 22nd meeting which had been rescheduled to May 8th). He indicated that meetings could be added or removed from the schedule at the Committee's direction.

Councilmember McGuinness made a motion to add a June meeting subject to the Committee's availability. Mr. White indicated that meetings were typically scheduled on the 4th Monday in June (June 26th) unless there was a conflict. He would verify that the Committee was able to form a quorum on that date before adding it to the City calendar. The motion was seconded by Councilmember Keathley and passed by a voice vote of 4 to 0.

D. Health Insurance Renewal

Mr. White provided a summary of the Health Insurance memo that had been included in the meeting packet and indicated that there would be two action items for the Committee: Approval of the current healthcare plan maintaining the City's traditional allocation of benefits between City and employee utilizing a premium reimbursement to forward fund the 2018 HRA reimbursement expenditures and the increase in HRA premium costs for the 2017-18 plan year.

Mr. White provided a high level overview of the health plan covering, among other things, that the City was protected from catastrophic loss through its membership in the SLAIT health insurance pool; would see a 2% increase in health insurance premiums for the 2017-18 plan year; the City's cost for family health insurance is second lowest of 27 cities that participated in a recent study; Chesterfield will receive a \$130,681 reimbursement of 2010-2011 surplus premiums from SLAIT; the City offers an HRA plan in which deductibles are reimbursed to employees; the HRA cost is approximately \$100,000 per year or \$474 per employee. Mr. White also described the allocation of premiums between the City and employees. For the single plan the employee pays \$100/month - \$1,200/year and the City pays \$328.02/month - \$4,593.66/year. For the family plan the City pays the full premium of insuring the employee PLUS one-half the cost of insuring the family: \$382.80/month - \$4,593.60/year and the City pays \$810.83/month - \$9,729.96/year.

Councilmember Logan asked how the City's rate increase compared to other cities in SLAIT. Mr. White indicated that Chesterfield was in the second of three tiers with the most favorable tier receiving no premium increase, the second tier a 2% increase, and third tier cities at 4% increase.

Councilmember McGuinness discussed the portion of the premiums paid by the City versus the employees and indicated that employees did not have a lot of skin in the game. There was a brief discussion about the benefits of SLAIT membership and the difficulties one local municipality has experienced since dropping out of the pool. Mr. Geisel noted that the \$130,681 premium reimbursement would be sufficient to cover the increase in City's premiums for the 2017-18 plan year and the estimated annual HRA cost of \$100,000. Mr. Geisel clarified that the \$130,681 was estimated to represent \$99,065 or 76% paid by the City and \$31,616 or 24% paid by employees.

Councilmember McGuinness suggested that employees in the private sector pay their own deductible. Councilmember Logan stated that he paid the deductible for his employees and Councilmember Tilman indicated that he was aware of other businesses with HRA plans. Councilmember McGuinness clarified that her concern was that the deductibles were paid by taxpayers rather than the employees. Councilmember Logan indicated that the employees worked for the taxpayers and he felt it represented a reasonable benefit based on the information presented.

Councilmember Hurt indicated that he was waiting to evaluate this benefit, in relation to the benefit package as a whole, with the ongoing compensation and benefit study.

Councilmember Tilman clarified that the City was not obligated to report the city/employee portions of the premium payments. Mr. Geisel responded that this was not necessary to report to SLAIT but a decision is needed so employees can be presented with this insurance cost information for the City's open enrollment which will begin on June 1st.

After completing the discussion, Mr. White reintroduced the two action items:

1. The City renews the current healthcare plan benefits for the 2017-18 plan year using the existing allocation method for determining how the premiums are paid by the City and employees.
2. The City use the \$130,681 premium reimbursement to forward fund the increase in premiums for the 2017-18 plan year and the 2018 budgeted HRA cost.

Councilmember Logan clarified that this action would be sent to Council if approved by the Committee and made a motion to renew the healthcare plan premiums for the 2017-18 plan year using the existing allocation method as recommended by staff in Mr. White's memo dated 5/4/2017. The motion was seconded by Councilmember Keathley for discussion. Councilmember Keathley asked for clarification on the timeline of the renewal. Mr. Geisel indicated that the City was notified of the 2% premium increase by SLAIT in April and this was the first opportunity to bring it to the Committee. A renewal and determination of the City/employee allocation was needed for the open enrollment period beginning on June 1st. Mr. Keathley indicated that he was hesitant to move forward to move forward on the

healthcare plan due to concerns regarding the deductible more so than the premium. The motion passed by a voice vote of 4 to 0.

Councilmember Hurt asked for feedback from CBIZ regarding premiums, deductibles and HRA plans based on the data they have access to.

Councilmember Logan made a motion to use the \$130,681 premium reimbursement to forward fund the increase in premiums for the 2017-18 plan year and the 2018 budgeted HRA cost as recommended by Mr. White in his memo dated 5/4/2017. The motion was seconded by Councilmember McGuinness. Councilmember Keathley asked for clarification on Council's options at Monday's meeting. Mr. Geisel clarified that Council could accept the motion as presented, eliminate the HRA entirely, keep a component of the motion, or chose to use the \$130,681 for other purposes and fund the health premium increase and HRA program through the 2018 budget. The motion passed by a voice vote of 4 to 0.

E. TracFone Settlement – Advocacy Fund

Mr. White notified the Committee that the City received a \$30,847 settlement from TracFone Wireless, a prepaid wireless provider. This company had previously refused to pay license taxes on its prepaid wireless services. The Missouri Municipal League represented 295 Missouri municipalities, including Chesterfield, in the suite. The MML Advocacy Fund has asked the represented municipalities to contribute 5 percent or more of the settlement to help MML continue to lobby and intervene at the state and federal level in cases and actions affecting cities. Mr. White recommended that the City contribute 5% (\$1,542.35) of the recent settlement to the MML Advocacy Fund. The MML Advocacy Fund supports the litigation for this and other issues.

Councilmember Logan indicated that Council wrestled with the decision to make the payment in 2008. Mr. Geisel clarified that the City had actually funded the class action suit in 2008 whereas it had not contributed any funds for this litigation.

Councilmember Logan made a motion to contribute 5% (\$1,542.35) of the recovery to the MML Advocacy Fund upon receipt of the settlement payment. City Attorney Chris Graville indicated that this would be in addition to 25% of the settlement paid directly to the Plaintiffs' attorneys in the class action suit. Councilmember Logan clarified that this would be paid out of General Fund – Fund Reserves. Councilmember Keathley verified that the money being allocated was strictly from the settlement. The motion was seconded by Councilmember McGuinness and passed by a voice vote of 4 to 0.

F. Court Software

Assistant City Administrator Libbey Tucker presented information relative to the requested purchase of a new software component for municipal court called JusticeWeb. The Missouri Supreme Court has recently enacted new "Standards of Operations" for Municipal Courts. One of the requirements is that municipal courts offer a public access portal which shows court dates, fines and if there are warrants issued. The City of Chesterfield currently uses Justware software to manage our court documents. Our

courts are very satisfied with our existing systems and recommends against a change in our current software. Court Administrator Nancy Morr and Information Technology Director Matt Haug, have reviewed the JusticeWeb software component and feels it best meets our needs to accomplish this requirement.

The initial cost of this add-on software module is \$18,000, including one year of support. The regular maintenance cost thereafter is \$12,000 annually. These are unbudgeted funds and would come from fund reserves above the 40% requirement.

A motion was made by Councilmember Keathley and seconded by Councilmember Logan to recommend to City Council, the authorization to purchase the JusticeWeb software component at a price of \$18,000 to be funded from General Fund Fund Reserves. The motion passed by a vote of 4-0.

Next a motion was made by Councilmember McGuinness to suspend the rules and move from Unfinished Business, Item A. Live Streaming to the next discussion item, as it relates to Item G. Audio Recording of Council Meetings. The motion was seconded by Councilmember Logan and passed by a vote of 4-0.

G. Live Streaming/Audio Recording of Council Meetings

Mr. Haug presented information on results of a survey of other six other cities that currently offer video recordings and live streaming of City Council meetings. The costs varied widely depending on the quality of production and equipment used and whether the work is done in house or by a third party provider. Mr. Haug stated that the equipment and installation cost would be approximately \$30,000. To stream and host the videos would cost \$600 per month and two staff persons required to manage this function would cost \$110,000 annually. After the initial startup costs of \$31,000, the annual costs for this service annually would be approximately \$120,000.

After considerable discussion, Councilmember Logan asked staff to prepare a survey of residents to determine whether video streaming of meetings is a service they would use. Mr. Geisel assured the committee that this could be done in a timely manner through placement in the City newsletter and our various social media channels and web site.

A motion was made by Councilmember Logan to postpone the discussion of Live Streaming of Council meetings to the July 24 Finance & Administration Committee meeting. The motion was seconded by Councilmember McGuinness and passed by a vote of 4-0.

H. Victims' Rights Bill

Chair DeCampi introduced the topic as an item that was previously brought to the Public Safety and Health Committee before it was moved to the F&A Committee. At that time, Mr. Graville reviewed the State Statute on Victims' Rights and suggested that the City consider an ordinance outlining a framework for the Municipal Court to follow the State mandates. Since that recommendation Mr. Graville has worked with the Chief of Police and City Prosecutor to craft such an ordinance. He noted that the State Statute, which described the manner in which crime victims are to be notified of the legal activity relating to their case, focused on a number of violent crimes that were infrequent in

Chesterfield. They redesigned the Ordinance with a focus on crimes occurring in Chesterfield and produced a more refined draft. At this point it has been reviewed by the City Prosecutor and sent to the Police Chief and City Administrator for review.

Councilmember Logan voiced concern over additional potential liability to the City and the effort needed to notify national retailers of the progress on local cases involving theft. Mr. Graville verified that there would be some costs to ensure that these communications are made. Councilmember Logan asked if any of these retailers had been asked for their input on such an ordinance. Mr. Graville indicated that he had discussed this with the City Attorney and, while some companies may be indifferent, this would likely alleviate a frustration of the courts relating to the ability to successfully prosecute crimes.

Councilmember DeCampi pursued further identification of how this would impact minor violations such as traffic accidents. Mr. Graville indicated that this would be at Council's discretion but the State's Bill did not cover that type of activity. Other aspects of the Ordinance were discussed such as victims' rights being paramount to defendants' rights.

Councilmember Logan made a motion to postpone this to the June F&A Committee meeting. The motion was seconded by Councilmember McGuinness and passed by a voice vote of 4 to 0.

I. Replacement of City's Representative to the Chesterfield Valley TDD

Chairman DeCampi stated that this item was referred to the committee from the last City Council meeting. City Administrator - Mr. Geisel currently holds a seat on the TDD Board, along with Mayor Nation and St. Louis County Executive Steve Stenger and his designee, Stephanie Leon Streeter, Deputy Director-Transportation & Public Works, St. Louis County. Mr. Geisel has offered up his seat to be replaced by someone the Mayor or City Council designates. There was a general consensus from the discussion at the City Council meeting that no one from City Council was interested, nor thought it appropriate, to participate on this Board. Therefore, Mr. DeCampi had suggested that a resident, John Hammond, would be someone he would recommend due to his past involvement in the formation of the City and general interest in the community. He said he had spoken with Mr. Hammond who was interested in participating on the TDD Board.

Councilmember Logan stated that he prefers the representative be a City employee. They would have knowledge of the City and technical expertise required. He does not feel it's appropriate for someone from City Council to be the representative as they are only one person and may not fully represent the interests of the full Council. Additionally, Councilmember Logan stated he is not supportive of appointing a resident. He questioned whether Mr. DeCampi's suggestion was cronyism since Mr. Hammond also served as his campaign treasurer. Mr. DeCampi stated it would not be as Mr. Hammond was an independent thinker. He also noted that Brenda Talent's name had

been suggested, as she's a resident within the TDD voting district. Mr. Logan stated that due to Ms. Talent's position with a group that is questioning the use of TDD's and other special districts around the state, he felt she would not be an appropriate appointment who could be objective.

Councilmember Keathley stated he would rather have an elected official as a representative on the TDD. Councilmember Tilman raised a question as to what governs the composition of the TDD Board? What documents exist that can clearly outline who is to be making this appointment and did the Councilmembers even have that authority? He feels that more information is needed in order to make a decision, if they even have the authority. Once we know that, then if Councilmembers can make that appointment, they can discuss the process and vetting of candidates. Mr. Geisel explained that it was set up by the Court system in St. Louis County and is a separate entity from the City. It is government by a development agreement. He stated he would provide information from those documents relative to the structure of the Board and elections of members to the City Council prior to Monday's Council meeting. He noted that it is technically the Mayor's designee who participates on the Board with the Mayor, but there is not a lot of guidance in the document relative to that process. He noted that it has been made very clear through his hiring process that he works directly for the Mayor, that his vote would be tethered to the Mayor's vote on the TDD Board. However, he noted that it is important for the representative to be knowledgeable about and familiar with the TDD projects and processes for completing the projects. Mr. Geisel noted that he is also the Executive Director of the TDD, which is not a voting position, but administrative. He coordinates the meetings, administrative functions and distribution of agenda packets.

Councilmember Hurt stated he had conversations with both John Hammond and Brenda Talent about being on the Board. They both indicated that if the TDD was a benefit to the taxpayers, they would consider the appointment. However, Ms. Talent was concerned that it could compromise her state-wide efforts in reviewing TDDs that are being misused. Councilmember Hurt stated he trusts Mr. Geisel's judgment as a representative on the TDD.

The Committee directed staff to provide information about the structure of the TDD Board, who can make appointments, etc.

J. Meet the Legislators Event

City Council previously authorized \$3,000 be spent from General Fund - Fund Reserves to host a "Meet the Legislators" event, to take place on July 22 during a regularly scheduled concert at the Amphitheater. State elected officials and elected officials from surrounding communities would be invited to participate in a special reception at the concert.

Chairman DeCampi explained that he asked for this to be placed on the agenda as he doesn't feel this is an appropriate use of the City's money. He noted that it is a "big issue" in Ward IV. Councilmember Ohley also stated it was a big discussion point during her campaign when talking with residents. She doesn't see how it will benefit the residents.

Mr. Geisel explained that the public benefit is the opportunity for the City to foster relationships with State elected officials so when there is an issue we need assistance with at the State level, there is familiarity between Chesterfield officials and State officials. Having ongoing relationships and an awareness of the local officials allows the local interests to be represented more effectively in Jefferson City. Additionally, we can begin to create legislative agendas on issues that affect the City that we can make known to our state elected officials for which we can seek their assistance. Additionally, Mr. Geisel stated that one of his tasks assigned to him by City Council was to improve relationships with neighboring cities and this would be a way to accomplish that. Many communities host larger events at the Capitol with significantly more expense and this small reception would be very cost effective.

Councilmember Logan stated that that Chesterfield has not had a presence in the legislative realm with the Missouri Municipal League and the Mayor asked him to serve on the Legislative Committee this year with MML. Councilmember Logan noted that Chesterfield's absence was noticeable and they welcomed our interaction with the Committee. He stated that this outreach is important and is a way to foster and grow those relationships at a relatively low cost as the concert is already occurring.

Chairman DeCampi stated he felt it was in the public's interest and has the perception of being a private party. Councilmember Tilman inquired as to whether a delegation could go to Jefferson City and have a similar outcome.

A motion was made by Councilmember DeCampi to rescind the \$3,000 for the "Meet the Legislators" event and forward to City Council for final consideration. The motion was seconded by Councilmember Keathley. The motion was passed by a vote of 3-1 with Councilmember Logan voting no.

K. Release of Emails

The Mayor asked this item to be placed on the agenda, relative to the release of e-mails between Prosecuting Attorney Tim Engelmeyer and former Councilmember Connie Fults regarding an issue of trash container placement by resident Lynn Dull. Councilmember McGuinness expressed that she thought the issue had been resolved through our courts and also through ordinance amendments. Mr. Geisel stated that an ordinance amendment was discussed at the Planning & Public Works Committee meeting on May 4 that requires residents to store solid waste containers inside their garage or within any side or rear yard, so that the containers are not visible from any street which abuts the property. Additionally, the ordinance violation by Ms. Dull was addressed through the court system by a mutually agreed-upon solution.

Councilmember McGuinness expressed that there should be no reason the e-mails are relevant at this point. Mr. Geisel stated that City Attorney Chris Graville has previously advised that the e-mails can be released if authorized by City Council.

A motion was made by Councilmember Keathley and seconded by Councilmember DeCampi to recommend the release the e-mails between Prosecuting Attorney Tim

Engelmeyer and Councilmember Connie Fults relative to the Lynn Dull trash container issue.

After further discussion Chairman DeCampi amended the motion to take the issue up at the June 5 City Council meeting. The motion was seconded by Councilmember McGuinness and the motion to amend was approved by 3-1 with Councilmember Logan voting no.

A motion was made by Councilmember Keathley and seconded by Councilmember McGuinness to further discuss the motion at the June 5 City Council meeting. The motion was approved by 3-1 vote with Councilmember Logan voting no.

L. Workers' Compensation Results

Mr. Geisel stated that this item is informational only and that the City of Chesterfield has the lowest "experience modifier factor" or EMR for all cities in the SLAIT program for the fifth year in a row. Due to the attention to safety of our workers, this results in the City paying the lowest premium possible for worker's compensation insurance and has reduced our costs by \$100,000 from the average premium.

M. Restructuring of the Management Information Systems Citizens Advisory Committee

Information Technologies Director Matt Haug stated that he would like to request that the MIS CAC committee size be reduced to 9 members (two from each ward and one at-large) from the current 17-member structure (four from each ward and one at-large). This is due to the highly technical nature of the committee and the topics in which they discuss. Managing a larger group would be very difficult. The Chairman of the MIS CAC Committee, Scott Berlinger supports Mr. Haug in this recommendation.

A motion was made by Councilmember Logan and seconded by Councilmember McGuinness to reduce the size of the Management Information Systems Citizens Advisory Committee to 9 members, two from each ward and one at-large. The motion was passed by a vote of 4-0.

III. UNFINISHED BUSINESS

A. Live Streaming

The Live Streaming discussion was combined with the Audio Recording of Council Meetings discussion in "New Business".

B. Unfinished Business

The following *Unfinished Business* agenda items were not reviewed.

1. Business License Overview

2. Review of City Council Policies: 22, 24 & 29
3. City Attorney, Prosecuting Attorney, and Municipal Judge Reform
4. Review of City Code: Ordinances 3082 – 3089
5. Review of City Code: Chapter Two Administration – Volume 3

IV. ADJOURNMENT

The meeting was adjourned at 8:27 p.m.