

MEMORANDUM

TO: Members – F&A Committee
FROM: Michael G. Herring, City Administrator
DATE: April 29, 2013
SUBJECT: Minutes – 04-22-2013

The Finance and Administration Committee met on April 22, 2013. Those in attendance included: Chairperson Mike Casey, Ward III; Council Committee Member Nancy Greenwood, Ward I; Council Committee Member Elliot Grissom, Ward II; Council Committee Member Connie Fults, Ward IV; Mayor Bob Nation; City Administrator Mike Herring; Community Services & Economic Development Director, Libbey Tucker; and Finance Director Brian Whittle.

Chairperson Mike Casey called the meeting to order at 5:30 p.m.

1. Approval of Minutes—January 28, 2013

Councilmember Grissom motioned to approve the minutes from the January 28, 2013 meeting of this Committee. Councilmember Casey seconded the motion. A voice vote was taken, with a 3-0 result, and the motion was approved.

Councilmember Nancy Greenwood arrived at the meeting at 5:33 p.m.

2. Selection of Co-Chair

Councilmember Grissom nominated Councilmember Greenwood as Co-Chair of the Finance and Administration Committee. Councilmember Fults seconded the motion. A voice vote was taken, with a unanimous result, and the motion was approved.

3. Selection of Citizen Advisory Committee Liaisons

Councilmember Greenwood nominated the following Committee liaisons: Councilmember Fults as a liaison to the Finance & Administration Citizens Advisory Committee; Chairperson Greenwood as liaison to the Human Rights Commission; Councilmember Grissom as liaison to the MIS Citizens Advisory Committee; and Chairperson Casey as liaison to Chesterfield Arts. Councilmember Fults seconded the motion. A voice vote was taken, with a unanimous result, and the motion was approved.

4. Set-Aside for Bond Payments

Mr. Herring summarized the enclosed MEMO, prepared by Finance Director Brian Whittle. He noted that the F&A Committee had previously recommended and City

Council had approved the use of any fund balance generated during 2012, to fully-fund any short-falls projected in the Parks General Obligation Debt Service Fund.

He reminded everyone that the Parks General Obligation Bond Debt Service Fund is funded by a dedicated property tax, of \$.03/\$100 of assessed valuation. He noted that, as was previously discussed with City Council, the fund is projected to have a small short-fall in 2013 and slightly larger shortfalls in 2014 and 2015, when the bond will ultimately be retired. Those short-falls are the direct result of lowering the property tax, as much as possible, over the years, as the City's total assessed valuation grew and the recent reduction in total assessed valuation, which had occurred during the economic downturn.

Rather than slightly increasing the current property tax rate, it was determined during last year's budget preparation process that there would likely be more than enough reserves generated, during 2012, to fully-fund the debt service payments, through 2015. Based upon the performance of the FY2012 Budget, Mr. Herring recommended a set-aside of General Fund Fund Reserves, totaling \$825,000. He pointed out that only \$50,000 of that surplus was a result of revenues exceeding projections, during 2012. The rest was a result of expenditures finishing better than projected. He noted that City Council directed the F&A Committee to determine the amount of this set-aside and that no further action would be needed, by City Council.

Additional discussion ensued. Mr. Herring noted that an updated "SUMMARY SHEET", regarding General Fund Fund Reserves, had been included in the Committee's packet, reflecting the set-aside of this \$825,000 and showing the amount of Fund Reserves still available, above the City Council's "40% Policy". Mr. Herring noted that the City had been using those unallocated funds, as circumstances warrant, to fund large, capital projects/one-time expenditures that the General Fund's operating budget could not fund.

Councilmember Grissom made a motion to set-aside \$825,000 from General Fund Fund Reserves for the Parks General Obligation Bond Fund, to cover any short-falls in debt service payments, during FY2013, 2014 and 2015. Councilmember Fults seconded the motion. A voice vote was taken, with a 4-0 result and the motion was approved.

5. Contribution to Special Event

Ms. Tucker stated that Council had budgeted for a \$3,000 community contribution in 2103. The F&A Committee has full approval authorization, regarding any requests that are submitted, without further review by City Council. She said that the Chesterfield Chamber of Commerce applied for a \$3,000 contribution to off-set the costs associated with the Summer Concerts in Faust Park.

Councilmember Fults motioned to approve the \$3,000 contribution to Faust Park. Councilmember Grissom seconded the motion. A voice vote was taken, with a 4-0 result and the motion was approved.

6. Other Items/Adjournment

Mayor Nation stated he would like to the Committee to discuss/consider the possibility of lowering the utility tax rate applied to revenues generated by AmerenUE. Chairperson Casey noted that, if approved by the Committee members, this would need to occur, at a future meeting of this Committee. General discussion ensued. Mr. Herring again noted that total revenues for FY2012 only exceeded projections by \$50,000. Mayor Nation stated that, as part of its analysis, he would like Staff to determine the breakdown of residential vs. commercial, in terms of the revenues generated by the current 5% tax on AmerenUE and whether a different rate could be established for residential customers vs. commercial customers. Councilmember Fults stated that she would like to know the percentage of total Utility Tax revenues represented by the taxes paid by AmerenUE. Councilmember Grissom urged caution regarding any reduction in this tax rate, since raising that rate would then require a vote of Chesterfield residents. Councilmember Fults also requested to know the rates of other comparable cities. Chairperson Casey affirmed the general consensus of the Committee for Staff to gather this information and report back.

There being no further business to discuss, Chairperson Casey adjourned the meeting at 6:01 p.m.