MEMORANDUM

TO: Mike Geisel, City Administrator

FROM: Craig White, Finance Director CDW

DATE: February 28, 2017

SUBJECT: Finance & Administration Committee
February 27, 2017

The Finance & Administration Committee met on Monday, February 27, 2017. Those in attendance included: Councilmember Barry Flachsbart, Ward I; Councilmember Guy Tilman, Ward II; and Councilmember Randy Logan, Ward III.

Chairman Tom DeCampi, Ward IV, was not present at the beginning of the meeting. Vice-Chair Randy Logan conducted the meeting while he was absent.

Those also in attendance included: Mayor Bob Nation; Councilmember Barb McGuinness, Ward I; Chris Graville, City Attorney; Mike Geisel, City Administrator; Craig White, Finance Director; Libbey Tucker, Assistant City Administrator; Matt Haug, Information Technology Director; and one member of the public.

Vice-Chair Logan called the meeting to order at 4:00 p.m.

I. APPROVAL OF MINUTES

Councilmember Flachsbart made a motion to approve the minutes of the January 23, 2017 Committee Meeting. The motion was seconded by Councilmember Tilman and **passed by a voice vote of 3 to 0.**

II. NEW BUSINESS

A. Live Streaming

Matt Haug, Information Technology Director, indicated that Staff had investigated the requirements and cost of livestreaming Council Meetings. Staff determined that, at a minimum, livestreaming would require a $6,000 transcoding device – which takes the feed from camera to livestream, HD Cameras at a cost of $2,000 per unit, and a $350 monthly cost for streaming feeds which would be necessary to connect with YouTube and/or other services. Additional staff with video expertise would be required to operate the cameras and do pre and post production of the media.

Mike Geisel, City Administrator, cautioned that livestreaming was not technically difficult, but that simply adding a camera with a livestream feed would not result in a video quality that was usable. In order to provide quality livestreaming, multiple

operable cameras and production staff is essential. Consumers would most certainly be disappointed with the quality if limited or no production value was added.

Councilmember Logan asked if other cities make a video recording of meetings that are then produced and uploaded at a later time. He indicated that this approach might have fewer obstacles. Mr. Haug indicated that such a process would still require the number of cameras and production staff, to provide for media quality.

Councilmember Tilman asked how many people were viewing the streamed meetings of other area municipalities. Throughout the discussion several area municipalities that currently stream their meetings were identified. The majority of which were in St. Charles County. Councilmember Tilman suggested that such investment might not be worthwhile if there were an insignificant number of viewers.

Mayor Bob Nation clarified that this discussion is separate from adding capabilities to enable Councilmembers to participate in meetings when unable to do so in person.

Councilmember McGuinness indicated that she views this as an effort to make the City more transparent and was generally unconcerned with what other municipalities were doing. She indicated that such capabilities were reflective of the times and were an opportunity for Chesterfield to be an area leader.

Councilmember Tilman indicated that he has seen area government meetings on local cable access television and suggested that Staff investigate what other St. Louis County municipalities are doing. He suggested that the City might be able to limit some of the production requirements if given adequate planning time to set up.

Councilmember Flachsbart stated that the classes he teaches are recorded and include production components such as zooming in and identifying speakers. He verified that this requires significant prep and postproduction time and that this is not an inexpensive process to do correctly. Councilmember Flachsbart indicated that he felt the press is already doing an adequate job of covering and communicating the content of the meetings.

Chris Graville, City Attorney, indicated that many of the cities that have cable access channels were able to initially obtain the necessary equipment and capabilities through negotiated cable franchise agreements several years ago. In those instances, cable providers such as Charter, provided much of the start-up equipment as part of the deal. Media providers are no longer offering to provide this equipment to cities.

Mr. Geisel recommended that Council ensure the desired production quality is considered and implemented up front if Council decides to stream meetings.

Councilmember Flachsbart made a motion to table this discussion for one year and revisit at that time. He indicated that he does not see the benefit of streaming outweighing the related costs as the meetings are already covered by the media. **The motion died for lack of a second.**

Councilmember Tilman directed Staff to investigate similar cities in St. Louis County to identified a more exact cost and learn the pros and cons of providing

this service. Councilmember Logan clarified that such investigation should not be limited to cities of a similar size.

B. Meet the Legislators

Mr. Mike Geisel, City Administrator, described legislative networking and appreciation events held by other municipalities for state elected officials. Additionally, he suggested that there are several cities in West County with common concerns and he recommended that the City of Chesterfield invite State legislators, West County elected officials, and managers/administrators to a Meet the Legislators social networking event. Specifically, he tentatively suggested hosting the event at the July 22nd "Yacht Rock" Concert at the Chesterfield Amphitheater

Councilmember Logan expressed his support of the event to develop important relationships. He made a motion to recommend that Staff coordinate a July 22nd gathering of area West County elected officials and administrators in addition to area State Representatives and Senators at the Yacht Rock Concert at a cost not to exceed $3,000, to be funded from General Fund – Fund Reserves. The motion was seconded by Councilmember Tilman.

Ballwin, Ellisville, Creve Coeur, Town & Country, Wildwood, Winchester, Clarkson Valley, Manchester, and Maryland Heights were identified as being among those that would be invited to participate.

Councilmember Tilman clarified that the authorization of funds ($3,000) would still need to be made by a vote of Council before the budget could be amended.

The above motion **passed by a voice vote of 3 to 0.**

C. Selection of Ex Officio Liaison Member to the F&A Citizen's Advisory Committee

Following Council's approval of a plan to reengage the F&A Citizen's Advisory Committee at the January F&A Meeting, the Committee was tasked with appointing a liaison to help fill the vacant positions and assist Staff in advising and supporting Committee Members.

Councilmember Flachsbart made a motion to appoint Councilmember Tilman as the Liaison. The motion was seconded by Councilmember Tilman and **passed by a voice vote of 3 to 0.**

Mr. White clarified that the current advisory committee is filled with one representative from Wards I, II & III and two from Ward IV. The Committee was initially established to include 7 members but would be revised to include a total of 8 with two from each ward.

III. UNFINISHED BUSINESS

A. Lynn Dull Request For Emails

Councilmember Logan introduced the topic as a continuation from the prior F&A Committee meeting. Councilmembers Flachsbart and Tilman expressed some confusion as a motion to refer the ordinance in question to the Planning & Public Works Committee was made at the January meeting.

Councilmember Flachsbart made a motion to dismiss further discussion as the issue had been addressed. Mr. Geisel clarified that the issue involving the trashcan ordinance had been passed on to Planning & Public Works and addressed. He stated that Councilmember DeCampi requested a discussion at F&A Committee Meeting pertaining to the release of privileged emails related to the issue. **The motion died for lack of a second.**

Councilmember Flachsbart made a motion that the City continue to deny any request for emails that have been identified as privileged communications. Councilmember Tilman motioned for an amendment to the motion to indicate that it is "based on the guidance from the City Attorney."

(Councilmember DeCampi joined the meeting at this point.)

Councilmember McGuinness asked if this vote would prevent Ms. Dull from taking the issue to Council. Mr. Graville clarified that Ms. Dull could appear during the public comment portion of the agenda and make the request directly to Council.

Councilmember Flachsbart seconded Mr. Tilman's motion to include "based on guidance from the City Attorney."

Mayor Bob Nation verified with Mr. Graville that there were privileged e mail communications which had not been provided to Ms. Dull.

The amendment passed by a voice vote of 4 to 0.

Councilmember DeCampi verified with Mr. Graville that his advice not to release the emails was based on the attorney client privilege that exists between the parties involved. Mr. Graville advised that this was a confidential communication between an elected official and attorney per RSMO 610 and discussions with the Attorney General.

Mayor Bob Nation asked if attorney client privilege extends to the elected City Prosecutor. Mr. Graville stated that these were confidential communications between the elected body and legal counsel, and were not an application of attorney-client privilege. He further indicated that he had communicated with the Attorney General on this subject and believes the Attorney General concurred.

The amended motion, to deny any request for the referenced emails as they are protected communications based on guidance from the City Attorney was seconded by Councilmember Logan and **passed by a voice vote of 3 to 1 with Councilmember DeCampi voting in opposition.**

B. Business License Overview

Mr. White, Finance Director, provided an overview of the City's business license rates and history. The City's business license fee structure has been unchanged since it was established in 1990. It is currently based on the type and square footage of each business with rates as follows:

- Retail - $0.08 per square foot
- Services/offices - $0.04 per square foot
- Manufacturing/warehouses - $0.02 per square foot

Mr. White stated that a review of similar area municipalities indicated that most had transitioned to a gross receipt model for calculating retail business license fees unless a substantial alternative revenue source from local businesses was already in place such as an additional quarter cent sales tax or gaming revenues. Various comparative metrics indicated that Chesterfield received a low percentage of business license revenue relative to the number of businesses, local retail sales, etc.

Mr. White recommended that the City adopt a practice that is reflective of local practices by establishing a $0.001 gross receipt business license fee for retail businesses and leaving the service/office and manufacturing/warehousing rates unchanged. Such a change is estimated to increase the City's business license revenue by approximately $1.05 million. Mr. White went on to explain that this would be a major undertaking and recommended that the City hire an experienced accountant to assist in the transition and ultimately taking on Assistant Finance Director responsibilities once this processes was established and operating smoothly.

Councilmember Flachsbart made a motion to send a recommendation to Council that the City begin charging retail businesses $0.0007 of their gross receipts for a business license, with a $50 cost for new businesses [with no prior sales history] and directed Staff to clarify the job functions, salary and other pertinent data of any new staff necessary for this conversion. The motion was seconded by Councilmember Logan.

Councilmember Flachsbart clarified that the proposed change would set Chesterfield's rate as the second lowest gross receipts based business license rate for retail businesses of those cities included in the study.

Councilmember McGuinness asked Mr. White why only changes to the retail rates had been selected. Mr. White indicated that he had limited his recommendation to retail as information about those sales was available from the City's sales tax data while there is no data available to project the potential impact of changes based on gross receipts from service/offices and manufacturing/warehousing.

Councilmember Logan clarified how square footage was currently obtained from businesses. He asked Mr. White why Maryland Heights had higher business license revenue despite having fewer businesses. **Mr. White indicated that he would investigate and follow up with the Committee.** Councilmember Logan then suggested that the City consider increasing the minimum cost for all businesses from $25 to $50 as it would not be unreasonable considering the rate had been unchanged since 1990.

Councilmember Logan asked what direct benefit businesses received from a business license other than being able to conduct business within the City. Assistant City Administrator Libbey Tucker indicated that the City was routinely contacted to verify the existence of City businesses and is able to do so because of the licenses.

Mayor Bob Nation indicated that there are a number of individuals that maintain a business license but actually conduct little to no business during the course of the year. He pointed out that these individuals/businesses are seeing increased costs of maintaining professional credentials through continuing education requirements and related County property taxes for licensed businesses. He expressed concern that any increases in the cost of a Chesterfield business license would discourage business from these individuals/businesses.

City Attorney Chris Graville requested additional time to investigate the proposed change and ensure that there are no conflicts with the Hancock Rules.

Councilmember Logan indicated that City Code Section 17-23 places certain restrictions on funds derived from the collection of business license fees and asked if these restrictions were currently being tracked. Mr. Geisel verified that staff tracks this and all other restrictions related to City revenues.

Councilmember Tilman suggested that, following Mr. Graville's review, that the proposal be discussed by all elected officials at a Committee of the Whole Meeting.

Councilmember Logan stated that a gross receipt based fee was a new tax that would not generate any direct benefit to the businesses. He indicated that it may be appropriate to explore ways to bring the City's business licenses in line with the practice of other municipalities but was against a tax that, he feels, would be passed on to customers.

Councilmember McGuinness indicated that the City initially adopted business license rates when the City was adopted in 1988 and asked Staff to clarify why the related ordinances were from 1990.

The above motion was modified to move to Council pending the findings of Mr. Graville's review and **passed by a voice vote of 4 to 0.**

C. **Unfinished Business**

The *Unfinished Business* portion of the meeting was not reviewed.

1. **Review of City Council Policies: 22, 24 & 29**

2. **City Attorney, Prosecuting Attorney, and Municipal Judge Reform**

3. **Review of City Code: Ordinances 3082 – 3089**

4. **Review of City Code: Chapter Two Administration – Volume 3**

Mr. Geisel reminded the Committee, with the exception of issues progressing from the Planning Commission through the PPW Committee, that it has been Council's practice for Committees not to meet after the last March Council meeting until after to the election. Unless there was a compelling reason to do so, Staff would not schedule any Committee meetings during this time.

Councilmember McGuinness suggested that the City consider utilizing lights and/or other methods to improve each Councilmember's ability to be recognized for the floor at Council meetings. Mr. Geisel suggested that this idea be discussed and possibly included with an upcoming proposal regarding City security enhancements.

IV. ADJOURNMENT

The meeting was adjourned at 5:11 p.m.