

MEMORANDUM

TO: Finance and Administration Committee of City Council
FROM: Jeremy Craig, Director of Finance and Administration
DATE: May 24, 2006
SUBJECT: Finance and Administration Committee Meeting

The Finance and Administration Committee met on Wednesday, May 24, 2006. Those in attendance included: Chairperson Bruce Geiger, Ward II, Councilmember Jane Durrell, Ward I, Councilmember Mike Casey, Ward III, Councilmember Mary Brown, Ward IV, City Administrator Mike Herring, Assistant City Administrator for Economic and Community Development Libbey Simpson, and Director of Finance and Administration Jeremy Craig. Also in attendance was Executive Secretary Caroline McDowell. The meeting was called to order by Chairperson Geiger at 5:30 p.m.

Chairperson Geiger opened the meeting by congratulating Jeremy Craig and his staff for earning the Government Finance Officers Association Distinguished Budget Presentation award for the 2006 budget.

1. Approval of Minutes—April 17, 2006

Councilmember Brown motioned to approve the minutes from April 17, 2006 and Councilmember Durrell seconded. The minutes were approved 4-0.

2. Appointment of Committee Liaisons

Appointments were as follow:

- Jane Durrell, Historical Commission
- Bruce Geiger, MIS Citizens Advisory Committee
- Mike Casey, Human Rights Commission
- Mary Brown, Finance & Administration Citizens Advisory Committee

Councilmember Casey motioned to approve the committee liaison appointments and Councilmember Durrell seconded. The motion was approved 4-0.

3. Review of Contribution Requests

Requests were submitted by the Drug Abuse Task Force for the Acoustic Café program in the amount of \$1,000 and the Chesterfield Chamber of Commerce for the Summer Concert Series in Faust Park in the amount of \$3,000. These requests were consistent with previous requests. Councilmember Casey motioned to approve \$1,000 for the Drug Abuse Task Force and \$3,000 for the Chamber of Commerce and Councilmember Brown seconded. The motion was approved 4-0.

4. Fund Reserves Expenditures Recommendation

Mr. Craig opened discussion by saying that this issue arose from past Council discussions and involves the process by which expenditure requests from Fund Reserves are brought before Council. He said that currently there is no policy for a standard procedure and requests often go straight to Council before coming to the F&A Committee. The Committee agreed that:

- Requests less than \$50,000 total should bypass the Committee and go to Council without a statement of financial impact;
- Requests \$50,000-100,000 total should bypass the Committee and go to Council with a statement of financial impact;
- Requests more than \$100,000 total should first go to the Committee with a statement of financial impact before going to Council.

Councilmember Brown made a motion to recommend to Council to adopt a policy reflecting the above tiered system of Fund Reserve request approval and Councilmember Casey seconded. The motion was approved 4-0.

5. Mandatory \$400,000 Transfer from General Fund to Capital Fund

Currently, the Council adheres to a policy mandating a \$400,000 transfer from the General Fund to the Capital Fund for the years 2006, 2007 and 2008. Mr. Craig explained that the transfer, additional dollars to what is actually budgeted, was beneficial the first year, but now, since the Capital Fund is growing exceptionally, the transfer is no longer necessary. In the occurrence of a downturn, the transfer could harm the overall budget. Mr. Herring noted that in addition to the growing Capital Fund, when the TIF dissolves, the Capital Fund will see an annual increase of at least \$1 mil. Therefore, the transfer does not need to be mandatory; each year, Council can address the needs of the Public Works Department above the budgeted funds and assign additional funds accordingly.

Councilmember Durrell made a motion to eliminate the mandatory transfer of \$400,000 from the General Fund to the Capital Fund for the years 2007 and 2008, and evaluate issues as they arise. Councilmember Casey seconded and the motion was approved 4-0.

6. Ward Mate Attendance in Place of Committee Member

Mr. Herring explained that a suggestion came from the City Council—if the Council liaison cannot make his committee meeting, his ward mate can attend in his place if asked by the committee liaison, as a voting member using his, not the committee liaison's, personal opinions? After discussion, Councilmember Casey motioned to recommend no policy be adopted and Councilmember Durrell seconded. The motion was approved 4-0.

7. 2007 Budget Process

In review of the budget process and calendar for 2007, Chairperson Geiger said he would like to add a Saturday morning review session for the F&A Committee-of-the-whole, specifically focusing on the General Fund, Parks Fund and Capital Fund. The committee agreed.

Councilmember Casey motioned to call an F&A Committee-of-the-whole meeting on November 4, 2006, from 9 a.m. to 12 p.m. and Councilmember Durrell seconded. The motion was approved 4-0.

Councilmember Brown noted that many Councilmembers feel that by the time they review the budget, it is too late to make any changes. Mr. Herring said that major issues should be brought before the committees during the year and work into the budget process from there. In addition, he noted any Councilmember can request staff to provide detailed information on issues throughout the year leading up to the budget process.

8. CDAC Meeting Update

Libbey Simpson said that the Chesterfield Development Advisory Council (CDAC) met about a month ago, where they were updated about the transition from the Chesterfield Community Development Corporation to CDAC, and upcoming projects, and asked about their opinions and feelings about the City's environment, image, economics, etc. She explained that the members had some great insights and began coming up with an economic marketing plan.

She noted that the City is using the Highway 40 construction as a platform to promote our available office, living and recreational space. The City has partnered with Gundaker and the Chamber to advertise in key publications and created an email address to track exposure. Chairperson Geiger added that he attended the first meeting and felt that everyone was on the same page and moving in a promising forward direction. Councilmember Brown suggested that the Council introduce themselves to CDAC; Ms. Simpson agreed it would be a good gesture and will make a note for the next CDAC agenda.

9. Adjournment/Next Meeting

As a side request, Chairperson Geiger asked Mr. Craig to put together a ten-year projection of revenues and financial impact, specifically related to the dissolution of the TIF.

The next meeting will be scheduled at a later date.

The meeting was adjourned at 6:55 p.m.