

MEMORANDUM

TO: Finance and Administration Committee of City Council
FROM: Jeremy Craig, Director of Finance and Administration
DATE: October 5, 2005
SUBJECT: FINANCE AND ADMINISTRATION COMMITTEE MEETING

The Finance and Administration Committee met on Wednesday, October 5, 2005. Those in attendance included: Chairperson Jane Durrell, Ward I, Councilmember Bruce Geiger, Ward II, Councilmember Dan Hurt, Ward III, Councilmember Mary Brown, Ward IV, Mayor John Nations, City Administrator Mike Herring, Assistant City Administrator for Economic and Community Development Libbey Simpson, Director of Finance and Administration Jeremy Craig. Also in attendance were Councilmember Barry Streeter, Ward II, and Executive Secretary Caroline McDowell. The meeting was called to order by Chairperson Durrell at 8:20 p.m.

1. Approval of Minutes—September 14, 2005

Councilmember Brown motioned to approve the minutes from September 14, 2005 and Councilmember Geiger seconded. The minutes were approved 4-0.

2. Contribution Request

One new request, submitted by Stages – St. Louis, and two on-going requests, Drug Abuse Task Force (Citizens for a Drug Free Chesterfield) and West County Family YMCA's Acoustic Café, were received. Mr. Craig explained that only \$3,000 remains within the FY2005 Budget for "contributions"; however, Stages and the West County "Y" are each requesting \$3,000 and the Drug Abuse Task Force was requesting an additional \$2,000. Mayor Nations said that each organization does a tremendous job and would like to see each request approved. He noted that City Council could amend the FY2005 Budget by \$5,000 to fund all requests.

Councilmember Brown motioned to approve \$3,000, as requested by Stages – St. Louis. Councilmember Geiger seconded and the motion passed 4-0.

Councilmember Brown motioned to approve \$2,000 for the Drug Abuse Task Force, contingent on City Council approval of an additional \$2,000 for contribution requests in the FY2005 Budget. Councilmember Geiger seconded and the motion passed 4-0.

Councilmember Brown motioned to approve \$3,000 for West County Family YMCA's Acoustic Café, contingent on City Council approval of an additional \$3,000 for contribution requests in the FY2005 Budget. Councilmember Geiger seconded and the motion passed 3-0-1. Councilmember Hurt abstained from voting because of his involvement on the YMCA Board of Directors.

Councilmember Brown suggested that the F&A Committee discuss the amount to be allotted for "contribution requests" in future budgets. Mr. Craig reminded the Committee that the current budgeted amount is \$10,000.

3. Five-Year Forecast

Mr. Craig opened the discussion and noted that it is anticipated that the "2006" projection, contained within the "Forecast", will closely match the actual budget. However, the "Five-Year Forecast" is primarily a reflection of economic trends. The new retail and cinema opening in the Mall should have a

very positive impact upon utility tax and sales tax revenues in the General Fund. Since Mr. Herring has not yet made any decisions regarding additional employees, within the 5-year timeframe, dollars for additional employees are NOT reflected in this document. However, Mr. Herring assured the Committee that IF he ultimately recommends that employees be added, within the context of the FY2006 Budget, he will forward a revised "Five-Year Forecast", clearly indicating the impact upon that forecast period.

Councilmember Hurt said that the forecast seems fairly accurate, except for projections re: natural gas revenues and gasoline expenditures. He said that, in his opinion, the numbers presented are an underestimation of "national trends". Councilmembers Geiger and Streeter also noted their concerns with this same issue. Mr. Craig said that the FY2005 Budget was increased by \$50,000, in response to the rising costs, and the FY 2006 Budget will include another increase at the beginning of the year and a decrease near the end of the year, to reflect predicted fluctuations. Mr. Herring assured the Committee that gas prices are being monitored and that more detail will be available, before adoption of the final FY2006 Budget.

[Note: Councilmember Hurt left at this point in the meeting – approximately 9:00pm]

Councilmember Streeter expressed a number of concerns regarding revenue and expenditure projections. Mr. Craig said that 2001-2003 was the worst economy the City has experienced. The economy recovered in 2004, the voters of Chesterfield approved the passage of "Proposition P", in November of 2004 and the City has been doing well since then. While the budget warrants careful review and the impact of Hurricanes Katrina and Rita, as well as rising gas prices, need to be monitored, current Fund Reserves are \$4 million above the Council-approved minimum requirement. Mr. Craig also noted that revenue and expenditure projections, for the FY2005 budget, are currently accurate to within \$10,000 on a total budget of \$17 million.

Chairperson Durrell motioned to recommend to Council the adoption of the Five-Year Forecast. Councilmember Brown seconded and the motion passed 3-0.

Chairperson Durrell specified that the next F&A Committee meeting agenda would include the proposed FY2006 General Fund budget, the proposed FY2006 Parks budget, along with an amended Five-Year Forecast, if necessary.

4. Chesterfield Development Advisory Council

Ms. Simpson presented her memo detailing recommendations for an advisory group for economic and community development. The name of the group, Chesterfield Development Advisory Council, was discussed. It was agreed that how the group is introduced and described is more important than the name itself, but Ms. Simpson pointed out that having a new name would establish a fresh identity. Mayor Nations indicated that establishing a new name was a critical step in the process.

[Note: Councilmember Streeter left at this point in the meeting – approximately 9:15pm.]

Chairperson Durrell noted that the memo described twelve sectors within the community that the members of the advisory council should represent. These members will be the chairpersons and/or CEOs of businesses in their respective sectors. The current members of the Chesterfield Community Development Corporation (CCDC) will be invited to join the advisory council and, depending upon their individual background and experiences, will each. Members would then be appointed by the Mayor to fill the remaining seats. Initially, half of the members will be appointed for two years and half will be appointed for one year terms, to stagger the membership. Thereafter, all appointments will be two-year terms. Chairperson Durrell said that she would like a representative from each ward in Chesterfield as an advisory council member. Councilmembers Geiger and Brown commented that, while first consideration should be given to residents, the council does not necessary need to be composed of residents; expertise, for the sake of the council's function, is most important.

Mr. Herring stated that it was Staff's recommendation that the Chairperson of the advisory council would be the President Pro Tem of City Council. The Chairperson would also serve as the liaison between the advisory council and the Finance and Administration Committee. Ms. Simpson pointed out the importance of having interaction between the advisory council and City Council, especially at the President Pro Tem level.

Councilmember Geiger made the following motions as recommendations for final approval by City Council:

- That the advisory council be named the "Chesterfield Development Advisory Council". Chairperson Durrell seconded. The motion passed 3-0.
- That the President Pro Tem serve as Chairperson of the advisory council. Councilmember Brown seconded. The motion passed 3-0.
- That the President Pro Tem be the liaison between the advisory council and the Finance and Administration Committee. Councilmember Brown seconded. The motion passed 3-0.
- That the Mayor and City Administrator serve as ex officio members of the advisory council and that the Ass't City Administrator for Economic and Community Development serve as the Staff liaison to the advisory committee. Councilmember Brown seconded. The motion passed 3-0.
- That the President Pro Tem of City Council be an ex officio member of the Finance and Administration Committee. Councilmember Brown seconded. The motion passed 3-0.
- That all current members of the CCDC be extended an invitation to join the Advisory Committee. Councilmember Brown seconded. The motion passed 3-0.

Councilmember Brown next made a motion that at least four of the advisory council's members will be Chesterfield residents. The motion was seconded by Chairperson Durrell and approved by a vote of 2-1, with Councilmember Geiger voting "no".

Chairperson Durrell motioned that all of the above motions be presented to City Council as a combined recommendation, in support of Ms. Simpson's recommendation, to establish the Chesterfield . Councilmember Brown seconded and the motion passed 3-0. Ms. Simpson will amend her memo to reflect each of the decisions made by the F&A Committee and summarized above.

5. Next Meeting/Adjournment

The next meeting was scheduled for 5:30 p.m. on Thursday, October 27, 2005.

The meeting was adjourned at 9:40 p.m.