

MEMORANDUM

TO: Finance and Administration Committee of City Council
FROM: Lori Helle, Director of Finance and Administration
DATE: November 3, 2007
SUBJECT: Finance and Administration Committee Meeting

The Finance and Administration Committee met at 8:15 a.m. on Saturday, November 3, 2007. Those in attendance included: Chairperson Bruce Geiger, Ward II; Councilmember Jane Durrell, Ward I; Councilmember Dan Hurt, Ward III [Councilmember Hurt arrived at approx. 8:20 a.m.]; Councilmember Connie Fults, Ward IV; Councilmember Mike Casey, Ward III; City Administrator Mike Herring; Assistant City Administrator for Community Development and Economic Services Libbey Malberg; Mayor John Nations; Director of Finance and Administration Lori Helle. Also in attendance were: Alice Fugate, Chair of the Landmark Preservation Commission and Executive Secretary Caroline McDowell. The meeting was called to order by Chairperson Geiger at 8:15 a.m.

1. Approval of Minutes—August 15, 2007

Councilmember Fults motioned to approve the minutes from August 15, 2007. Councilmember Durrell seconded and the motion passed 3-0.

2. Proposed 2008 City Council Meeting Schedule

Mr. Herring referenced the proposed schedule (see attached) and noted that, per Council policy, Staff checks with the Jewish Community Association to identify any dates that would present conflicts for those of the Jewish faith. Staff then avoids those dates in preparing the official City Council schedule each year. With that in mind, he noted that a date for the second meeting in October is still “to-be-determined”. He suggested that the Committee recommend to City Council adoption of this proposed schedule as-is. Mr. Herring noted that he would work with Staff to identify some alternatives for that second meeting in October 2008.

Councilmember Durrell motioned to recommend the adoption of the schedule, by City Council. Councilmember Fults seconded and the motion passed 3-0.

3. 2007 Budget Adjustments

Ms. Helle explained that each year budget adjustments are made before the end of the year to reflect actual revenues and expenditures. These adjustments reflect the addition of \$282,900 to revenue. On the expenditure side, \$308,723 involves purchase orders that carried over from 2006 to 2007.

Councilmember Hurt motioned to approve the 2007 budget adjustments and to recommend approval by City Council. Councilmember Fults seconded and the motion passed 4-0.

4. Landmark Preservation Commission Grant

Mr. Herring said that the Planning and Public Works Committee made a recommendation to allocate up to \$5,000 in the FY2008 Budget for grants, as recommended by the Landmark Preservation Commission. He said that the funding is currently not included in the proposed FY2008 Budget but if the F&A Committees votes to endorse this recommendation, it can/will be discussed by City Council at the Budget Workshop scheduled to begin at 9 a.m. this same morning.

Councilmember Hurt made a motion to endorse this proposal and to recommend to City Council that \$5,000 be added to the proposed FY2008 Budget. Councilmember Fults seconded and the motion passed 4-0. Councilmember Durrell expressed her support for this budget allocation and stressed the importance that this is to be a “matching grant” program. Ms. Fugate said that the Landmark Preservation Commission initially came up with the program because it wanted homeowners to have an incentive to improve their properties and add them to the historical registry. She noted that the grants will be focused on the exterior of the properties and the curbside.

6. Next Meeting

At this point in the meeting, Mr. Herring recommended setting a date for the next F&A Committee meeting. He noted that Jim Mello, Special Legal Counsel, would be attending this meeting to discuss three items: the proposed 12/31/07 TIF closure; a proposed CID Policy; and final actions that need to be taken regarding the dissolution of the Chesterfield Community Development Corporation (CCDC). Mr. Mello told Mr. Herring that the proposed TIF closure and the CCDC issue will need to be addressed by City Council on November 19 and December 3. With that in mind, he would like to meet with the F&A Committee, if possible, sometime prior to the November 19 meeting. The Committee tentatively agreed to Thursday, November 8, immediately following the next meeting of the Planning and Public Works Committee scheduled for 5:30 p.m. Mr. Herring will check with Mr. Mello and confirm a date/time with the Committee.

5. Fund Reserve Policy

Chairperson Geiger recapped discussions from previous meetings and handed out an analysis of the general fund reserves (see attached). He noted that it would be his recommendation to keep the City’s Fund Reserve policy at 40%. However, he would propose that the 40% be based upon total General Fund expenditures, including transfers out. He noted that General Fund capital expenditures were already included in the General Fund expenditure totals. In his opinion, the 40% would include 15% for revenue stabilization/replacement and 25% as a pure Fund Reserves fund and that no year in the proposed Five-Year Forecast would dip below this 40% requirement.

Councilmember Fults agreed with Chairperson Geiger’s 40% Fund Reserve recommendation. Councilmember Casey also agreed with the 40% recommendation and said that City Council should develop specific recommendations to use any funds in excess of this requirement for projects that will benefit the residents of Chesterfield. However, Councilmember Durrell said that Fund Reserves should be set at no less than 50%, which would allow the percentage to fall during an economic downturn without requiring cuts to programs or services. Councilmember Hurt agreed with Chairperson Geiger’s recommendation to expand the base upon which the 40% is based but not the 15% + 25% proposal for allocation of the total amount.

Mr. Herring noted that, based on Chairperson Geiger’s recommendation, total Fund Reserves to be maintained would increase by approximately \$500,000, thus reducing the amount of unallocated excess Fund Reserves by this same amount.

Following additional discussion, Chairperson Geiger motioned to recommend to City Council that the current requirement of 40% be maintained and that the base upon which that percentage is applied be expanded to include transfers out, which typically include debt service payments for City Hall and the Public Works Maintenance Facility. Councilmember Fults seconded the motion and it was approved by a vote of 3-1, with Councilmember Durrell voting “NO”.

6. Adjournment

The meeting was adjourned at 8:55 a.m.