

MEMORANDUM

TO: Members – F&A Committee
FROM: Michael G. Herring, City Administrator
DATE: November 2, 2015
SUBJECT: Minutes – 10-26-15

The Finance and Administration Committee met on October 26, 2015. Those in attendance included: Chairperson Barry Flachsbart, Ward I; Council Committee Member Elliot Grissom, Ward II; Council Committee Member Dan Hurt, Ward III; Council Committee Member Bruce DeGroot, Ward IV; City Administrator Mike Herring; Finance Director Craig White; Director of Public Services Mike Geisel; and Interim City Attorney Harry O'Rourke. Those also in attendance included: Councilmember Bridget Nations, Ward II; Councilmember Mike Casey, Ward III; Councilmember Connie Fults, Ward IV; Chief of Police Ray Johnson; and Management Analyst James Mello Jr.

Chairperson Barry Flachsbart called the meeting to order at 5:30 p.m.

1. Approval of Minutes from July 27, 2015

Chairperson Flachsbart asked if there were any comments or changes to the July 27, 2015 F&A Committee Minutes. Hearing none, Councilmember Grissom motioned to approve the Minutes. Councilmember Hurt seconded the motion. A voice vote was taken, with a unanimous result 3-0, and the motion was approved. (Committee Member DeGroot had not yet arrived.)

(Councilmember Fults joined the meeting, at this point.)

2. Requests for Funding Regarding Community Contributions

Craig White, Finance Director, summarized the proposal. The City has historically allocated funds to assist local organizations in providing events or programming that benefit Chesterfield residents. The City had budgeted \$6,000 for such purposes in FY2015. The first, and only two FY2015 applications, came from the West County Family YMCA, for "Senior Sizzler" trips, and the Children's Illustrated Art Museum for their "Twas the Night Before Christmas" exhibit at the Chesterfield Mall. Mr. Herring noted that City Council had delegated to this Committee the ability to decide if, in fact, these funding requests will be approved.

Councilmember Grissom motioned to approve both of the community contribution funding requests. Councilmember Hurt seconded the motion. A voice vote was taken, with a unanimous result 3-0, and the motion was approved. (Committee Member DeGroot had not yet arrived.)

3. Discussion of St. Louis County Municipal League Membership

Michael Herring, City Administrator, presented an invoice for St. Louis County Municipal League annual membership dues and provided information regarding the historical cost of membership to the organization, as well as comparable information for the Missouri Municipal League.

Councilmember Flachsbart expressed concerns about supporting an entity that directly opposes Chesterfield in key legislative efforts.

Mr. Herring noted that he understood Councilmember Flachsbart's concerns but had recently learned of the League's efforts, driven by Chesterfield's sales tax lawsuit, to endorse plans that would actually benefit the City. He also noted that the County Municipal League also has direct ties to the Municipal Parks Grant Commission, which has provided funding for numerous Chesterfield projects.

A brief discussion ensued about the consequences, both for and against, membership in the St. Louis County Municipal League.

Councilmember Grissom motioned to table the matter of paying dues to the St. Louis County Municipal League until the next meeting. Councilmember Hurt seconded the motion. A voice vote was taken, with a unanimous result 3-0, and the motion was approved. (Committee Member DeGroot had not yet arrived.)

4. Discussion of Creating a "Transparency Portal"

Councilmember DeGroot entered the meeting.

Mr. White indicated that the term "Transparency Portal" was used in many different ways but generally referred to either the information about an organization available on their website or interactive budget/financial tools. Mr. White discussed a comparison of the information available on local municipal websites which showed that Chesterfield ranked among the top cities, in terms of the quality/quantity of financial available provided via the City's website.

He went on to discuss the Monarch Fire Protection District's "Transparency Portal." Mr. White noted that United For Missouri's Future, a political organization, actually paid another company to design and maintain the portals of three entities, none of which are municipalities. He then cited other area municipalities that had reviewed Monarch's "Transparency Portal" and determined that it was not in the best interest of their residents.

Lastly, the interactive budget/financial webpages, currently utilized by Hazelwood and Creve Coeur were discussed. It was noted that this tool typically costs around \$9,000 and

does not provide any budget information that is not already on the City's website.

Councilmember Casey indicated that he had researched Monarch's "Transparency Portal" and pointed out that, although designed to make an organization more understandable, could provide information in a manner that is inaccurate or confusing to the user.

Councilmember Flachsbart expressed a reluctance to pay for information that was already accessible on the City's website but was supportive of increasing the amount of information available online. He suggested that Chesterfield add information that other cities have on their website as long as it would not require significant Staff time.

Only one of the City's in Mr. White's website comparison provided salary information on their website. After a brief discussion among the Councilmembers it was decided that a listing of job positions and pay ranges was appropriate, rather than individual salaries. This was consistent with the other City that had salary information available online.

Councilmember Fults suggested that Staff add a "financial snapshot" to the City's website with a summary of useful financial information, which would be of interest to most people.

A general consensus among Councilmembers and Staff was that few, if any, questions have been received from residents requesting information not already available on the website.

Councilmember Flachsbart made a motion to add the following information to the City's website:

- Check Registers
- Monthly Financial Reports
- Financial Snapshot
- Revenue and Expense Pie Charts
- Positions and Pay Ranges

Councilmember Hurt seconded the motion. A voice vote was taken and the motion was approved by a vote of 3-1. Councilmember Grissom voted against the motion.

5. Update on Out-of-State Vehicle Taxes

Mr. White provided the background of the Out-of-State Vehicle Sales Tax. Vehicle sales differs from retail sales in that the sales tax is based on the purchaser's place of residence, rather than the point of sale. Historically, this tax has extended to Missouri residents that purchase vehicles in other states. A recent court decision invalidated the out-of-state sales tax which the Missouri legislature then temporarily reinstated through November, 2016. Missouri cities have until then to obtain voter approval for the tax. There are ongoing efforts by both the County and State Municipal Leagues to develop a

coordinated effort for cities to pass this tax. Failure to do so would hurt Missouri businesses and the City of Chesterfield would lose approximately \$170,000, according to projections prepared by the Dept. of Revenue. This would not be a “new tax” but rather a continuation of the existing/historical practice.

Mr. Herring specified that this could be voted on at either of the 3 planned elections between now and the date of the tax expiration in November 2016, but noted that the County Municipal League was attempting to coordinate having the issue placed on ballots throughout the County, for the April, 2016 election.

The consensus of the Councilmembers present was to contact the County Municipal League to determine when other municipalities planned to put it on their ballot to leverage the informational push that would come at that time to best inform residents. As noted above, this is believed to be April 2016. Mr. Herring noted that he would determine the date by which such a ballot issue needed to be approved by City Council, in order to appear on that April ballot.

Councilmember Flachsbart made a motion to direct Staff to coordinate with other municipalities and the business community and to place the issue on the most logical upcoming ballot, pending council approval of the ordinance to do so. A voice vote was taken, and with a unanimous result, the motion was approved by a vote of 4-0.

6. Continued Discussion Regarding Annual Merit Increases

Mike Geisel, Director of Public Services, briefly summarized Staff’s previous presentations on the issue. He reiterated that Staff had spent considerable time reviewing the pay plan and had consistently determined that the 3% merit based raise pool was the best plan for the City as it is consistent with historical CPI, allows for accurate long-term financial planning, and has allowed the City to maintain a healthy ratio of personnel expenditures to total expenditures.

Councilmember Hurt stated that the information he had previously requested of Staff had been provided and he thanked them for doing so. He then initiated a general discussion regarding the advantages and disadvantages of including overtime pay and merit increases into the same budget item each year. The general consensus of the Councilmembers present was that these two items should remain separate, though Councilmember Hurt disagreed.

Many of the Committee members present felt that the merit pay increase, historically 3%, should be reduced in response to the recent low CPI.

(Councilmember Casey left the meeting at this time due to another commitment.)

Both Mr. Herring and Mr. Geisel thanked the Committee for the opportunity to participate in the merit pay rate decision process. Mr. Herring specifically noted that this