



**Finance and Administration Committee
Record of Proceeding
Monday, May 10, 2021**

The Finance and Administration Committee met on Monday, May 10, 2021. Those in attendance included: Chairperson Michael Moore, Ward III; Council Committee Member Barbara McGuinness, Ward I; Council Committee Member Aaron Wahl, Ward II; Council Committee Member Gary Budoor, Ward IV; City Administrator Mike Geisel; and Finance Director Jeannette Kelly. Those also in attendance included: Mayor Bob Nation; Councilmember Mary Ann Mastorakos, Ward II; Councilmember Dan Hurt, Ward III; City Attorney Chris Graville; Director of Planning Justin Wyse; Assistant Director of Finance John Hughes; City Clerk Vickie McGownd; and two other attendees.

Chairperson Michael Moore called the meeting to order at 5:01 p.m.

Approval of Minutes

Chairperson Moore asked if there were any comments or changes to the November 30, 2020 F&A Committee Minutes. Hearing none, Councilmember McGuinness made a motion, seconded by Councilmember Moore, to approve the November 30, 2020 F&A Committee minutes. A voice vote was taken with a unanimous affirmative result and the motion was declared passed.

Selection of F&A Vice Chair and F&A Citizens Advisory Committee Liaison

Councilmember Moore made a motion, seconded by Councilmember McGuinness, to appoint Councilmember McGuinness as Vice-Chair of the F&A Committee. A voice vote was taken with a unanimous affirmative result and the motion was declared passed.

Councilmember Moore made a motion, seconded by Councilmember McGuinness, to appoint Councilmember Moore as Council Liaison to the F&A Citizens Advisory Committee. A voice vote was taken with a unanimous affirmative result and the motion was declared passed.

Reimbursement Agreement for Legal Expenses

City Administrator Mike Geisel presented a revised Reimbursement Agreement from the developers of Wildhorse Village. The Reimbursement Agreement allows the City to bring in legal counsel to evaluate what economic development tools, if any, may be applicable for the larger southwest quadrant in Chesterfield, enabling the City to develop a recommendation. This agreement in no way supports or endorses any particular financing mechanism. It is strictly an agreement for Wildhorse Village to pay the City's legal expenses.

Councilmember Moore made a motion, seconded by Councilmember Wahl, to recommend authorization to execute the Reimbursement Agreement.

Councilmember Moore made a motion, seconded by Councilmember McGuinness, to amend the motion by changing the language on page 2, item 4 of the Preliminary Funding Agreement to read:

The parties acknowledge and agree that the ultimate determination, use, and approval of the appropriate Economic Development tools – if any – is in the sole discretion of the Mayor and City Council, and that no expectation or obligation to approve any Economic Development tool is created by the City's participation in this agreement.

A voice vote was taken on the amendment with a unanimous affirmative result and the motion to amend was declared passed. A voice vote was taken on the main motion to recommend authorization to execute the Reimbursement Agreement, with a unanimous affirmative result and the motion, as amended, was declared passed.

Public Purpose – Proposed Policy

City Administrator Mike Geisel and City Attorney Chris Graville presented a proposed Public Purpose Policy to implement a definition and procedure for expenditures to ensure compliance with Constitutional mandates and to ensure that all relevant expenditures are made pursuant to a uniform policy. Any program or activity that would receive public funding or in-kind support under this policy must be one that the City would or could otherwise fund directly.

Councilmember Moore made a motion, seconded by Councilmember Wahl, to recommend approval of the proposed Public Purpose Policy with the following revisions:

Add "Graduation Parades" to Exhibit C – Demonstrated Public Purpose List page 2.

Change language on page 2, paragraph 3 of the proposed Public Purpose Policy to read:

Notwithstanding the provisions of this policy, City employees, with the approval of their Department Head(s), are authorized and encouraged to

cooperate, assist, coordinate, and otherwise provide non-cash resources to residents, businesses, organizations, and others up to a cumulative value of City resources of not more than \$1,000 when the City employee has made a good faith determination that the public purpose criteria set forth in the definition of public purpose criteria above will be achieved.

A voice vote was taken with a unanimous affirmative result and the motion was declared passed.

Destruction of Records

Councilmember Moore made a motion, seconded by Councilmember McGuinness, to recommend authorization to destroy records in accordance with F&A Policy No. 1 and the Records Retention Schedule for the State of Missouri as documented in the F&A Committee meeting packet. A voice vote was taken with a unanimous affirmative result and the motion was declared passed.

Parks, Recreation & Arts Policy

Chairperson Moore stated that Parks, Recreation & Arts Policy No. 6 (Chesterfield Citizens Environmental Advisory Committee) will be referred to the Parks, Recreation & Arts Committee for review.

Utility Audit Update

Finance Director Jeannette Kelly updated the Committee on the status of an agreement with TriStem to conduct a revenue audit for franchise fees inclusive of utility taxes. TriStem had agreed to perform the audit with a 40% contingency fee on historical numbers, and the agreement was approved by Council on October 5, 2020. Due to a considerable amount of turnover in the TriStem organization, they will not be performing the actions of the agreement.

Before entering into agreement with TriStem, Azavar also offered the same service with a 37% contingency fee on historical numbers plus three years into the future.

Ms. Kelly asked for direction on how to proceed. She stated that any money recovered as a result of an audit is money the City would otherwise not have received. Other municipalities and organizations in the area have worked with Azavar and had positive experiences.

Councilmember Moore made a motion, seconded by Councilmember McGuinness, to recommend proceeding with Azavar to conduct a revenue audit for franchise fees inclusive of utility taxes. A voice vote was taken with a unanimous affirmative result and the motion was declared passed.

General Liability Insurance Claim History

City Administrator Geisel gave a brief update on General Liability insurance claims since 1998. A full 85% of the 204 general liability claims were associated with slips, trips, and/or falls. The vast majority of such claims were related to the City's sidewalks. The update was provided to increase awareness of the City's assets and its exposure over maintaining those assets.

Financial Report

Director of Finance Jeannette Kelly gave a brief update of City finances through April 14, 2021. She discussed budgeted revenues by source, which helps to clarify where the City's revenues come from. The majority (approximately 85%) of the City's revenues come from sales, utility, and inter-governmental taxes. Ms. Kelly also discussed expenditures by element. The majority of expenditures is related to salaries and benefits, contractual services, capital, and commodities. Finally, Ms. Kelly discussed debt service and explained the process of using the effective debt schedule to set money aside and flatten the curve, achieving more uniform debt service payments.


Adjournment

The meeting was adjourned at 7:10 p.m.

Respectfully submitted:



Jeannette Kelly
Finance Director



Vickie McGownd
City Clerk

APPROVED: 6/7/2021