

MEMORANDUM

TO: Michael G. Herring, City Administrator
FROM: Kelly Vaughn, Director of Finance and Administration
DATE: April 28, 2009
SUBJECT: Finance and Administration Committee Meeting

The Finance and Administration Committee met on Monday, April 27, 2009. Those in attendance included: Chairperson Bruce Geiger, Ward II; Councilmember Matt Segal, Ward I; Councilmember Connie Fults, Ward IV; Mayor John Nations; Director of Finance and Administration Kelly Vaughn; and, Asst. City Administrator for Community Services/Economic Development Libbey Malberg. Those also in attendance were Councilmember Mike Casey, Ward III and Assistant Director of Finance and Administration Brian Whittle.

Chairperson Bruce Geiger called the meeting to order at 5:48 p.m.

1. Approval of Minutes—March 24, 2009

Councilmember Fults motioned to approve the minutes from the March 24, 2009 meeting of this committee. Councilmember Segal seconded the motion. A voice vote was taken, with a unanimous result, and the motion was approved.

2. Assign Council Liaisons to the Committees and Citizens Boards/Commissions.

Councilmember Geiger volunteered to be the liaison to the Chesterfield Arts committee. Councilmember Segal volunteered to be the liaison to the Finance & Administration Citizens Advisory Committee. Councilmember Geiger and Mayor Nations then complimented the quality and knowledge of the people on the Finance & Administration Citizens Advisory Committee. They suggested involving this committee more in the future. Councilmember Fults volunteered to be the liaison to the Human Rights Commission. Councilmember Geiger then stated that Councilmember Logan would be suited to be the liaison to the MIS Citizens Advisory Committee. Councilmember Fults motioned to approve the liaisons to the Citizens Boards/Commissions. Councilmember Segal seconded the motion. A voice vote was taken, with a unanimous result, and the motion was approved.

Councilmember Geiger motioned to approve Councilmember Segal as the Vice-Chair of the Committee. Councilmember Fults seconded the motion. A voice vote was taken, with a unanimous result, and the motion was approved.

3. F&A Committee Meeting Schedule for 2009/2010

Councilmember Geiger stated that the Finance and Administration Committee typically holds its meetings on the fourth Monday of every month. He motioned to have the meetings scheduled on the fourth Monday of every month at 5:30 P.M. Councilmember Segal seconded the motion. A voice vote was taken, with a unanimous result, and the motion was approved.

4. Discussion Regarding FY 2009 Financial Update

Ms. Vaughn presented a financial update for the period ending March 31, 2009. She stated that overall, General Fund revenues were performing close to the FY2009 budget. She noted that sales tax revenue was below expectations, but that sales tax only represents 30% of the total general fund revenues and that the other revenues such as court fines and fees were performing at or above the amounts budgeted for FY2009, which offset the shortfall from sales tax revenue.

Ms. Vaughn stated that expenditures, as a whole, within the General Fund were in line with expectations. However, she noted that there were several "one-time" expenditures that had already occurred which would initially inflate the expenditure percentages causing them to appear higher than if the expenditures occurred evenly through out the year. Ms. Vaughn also pointed out that under the direction of Mr. Herring, Department Heads are being very cautious with spending and limiting expenditures when possible. In addition, Mr. Herring and the Department Heads are reviewing capital items and staffing levels as a way to reduce expenditures.

Councilmember Geiger commented on how Mr. Herring and the staff have always done a good job of managing expenditures and staying within the budget.

Councilmember Geiger expressed concern over the decrease in sales tax collections especially in regards to Park Sales Tax Fund and the Capital Improvements Sales Tax Fund. Councilmember Geiger stated Mr. Herring has always done a good job of focusing on the Fund Reserve Balance to ensure that it stays close to budget even during times of decreasing revenues. He worried, however, that if sales tax continues to come in under budget by about ten percent then the City may have to dip in to fund reserves in some funds to continue operations.

Mayor Nations noted that 2009 sales tax receipts have increased when compared to the 2007 sales tax receipts. Mayor Nations asked if that was a result of the TIF closure. Ms. Vaughn responded that it was due to the TIF closure and growth. Councilmember Geiger stated that without the TIF closure, sales tax revenue would be even less. He stated that sales tax revenue has remained virtually flat for the last four years while expenditures have increased three to four percent. He explained that the gap between revenue and expenditure growth was his main concern. Ms. Vaughn noted that other revenues in the general fund have increased and another month or two of sales tax collections is needed

to get a better picture. Councilmember Fults agreed and stated that April will be a critical month for sales tax receipts.

Councilmember Geiger asked about the increases in utility taxes and the large spike last year. Ms. Vaughn explained that it is due to an increased amount of payees after the tax settlements last year.

Ms. Vaughn explained that both Parks Sales Tax and Capital Sales Tax funds are experiencing a decrease in sales tax revenue. Ms. Vaughn explained that expenditures are decreasing because projects are coming in much lower than expected due to the economy. She stated Mike Geisel has noted 15-20% savings on some capital projects and that the majority of the Capital Improvements Sales Tax Fund is capital projects.

A discussion took place regarding the fund reserves. Ms. Vaughn stated that the ongoing operations are not a concern at this point and she does not think they will need to be tapped into in order to continue operations. Councilmember Geiger explained that he was also not currently worried about ongoing operations. He expressed concern that the current collections were a million dollars under those projected in the five year plan. He said this drop in expected revenue could put some planned projects on hold for a few years and delay the next Phase II bond issue. Councilmember Fults also expressed concern that the park sales tax collections trend has been flat instead of increasing every year as originally planned.

5. Status Report Concerning City of Chesterfield's New Public Website

Ms. Malberg stated the website will be ready to roll out within the week but will wait until all of the Council has had a chance to look at it. She said that Mayor Nations and Councilmember Geiger had provided positive feedback about what was needed from the citizen's point of view and the site was modified to reflect the feedback.

Mayor Nations stated that Councilmembers will be able to have their biography and contact info on the website. He also said the goal of the website is to be very proactive in informing citizens of the happenings in the City. He requested that a review of the website be presented for the entire City Council at the next Agenda Review meeting scheduled for Monday, May 4th.

Councilmember Geiger stated that Matt Haug had done a good job with the website and was impressed with how quickly he could update the site for any changes requested. Councilmember Geiger encouraged everybody to go over the website and to contact Mr. Haug with any suggestions.

6. Request for Approval of Application for Contribution to Special Event

Ms. Malberg stated that the Chesterfield Chamber of Commerce was requesting \$30,000 to the Summer Concert Series in Faust Park. She said that the maximum was \$3,000 and

that amount had been given to them every year. She also said that there is an additional \$12,000 in the parks budget to pay for fireworks for the event.

Councilmember Fults stated that in the future this amount could be put in the budget instead of making the chamber apply for the money every year.

Councilmember Fults motioned to approve granting the Chamber of Commerce \$3,000 for the Summer Concert Series. Councilmember Segal seconded the motion. A voice vote was taken, with a unanimous result, and the motion was approved.

Libbey later confirmed (after the meeting) that the \$30,000 request was an error and that it should have read \$3,000.

Mayor Nations complimented the event and said it was great for the City.

7. Adjournment

There being no further business to discuss, Chairperson Geiger adjourned the meeting at 6:38pm.