

MEMORANDUM

TO: Michael G. Herring, City Administrator
FROM: Lori Helle, Director of Finance and Administration
DATE: June 9, 2008
SUBJECT: Finance and Administration Committee Meeting

The Finance and Administration Committee met on Monday, June 9, 2008. Those in attendance included: Chairperson Lee Erickson, Ward II; Councilmember Dan Hurt, Ward III; Councilmember Connie Fults, Ward IV; City Administrator Mike Herring; and, Director of Finance and Administration Lori Helle. Also in attendance were: Mayor John Nations, Councilmember Bob Nation, Ward IV, City Attorney Rob Heggie, Prosecuting Attorney Tim Engelmeyer, Asst. City Administrator for Economic/Community Development Libbey Malberg, Director of Planning/Public Works Mike Geisel, and Asst. Director of Finance and Administration Kelly Vaughn.

The meeting was called to order by Chairperson Erickson at 5:30 p.m.

1. Approval of Minutes—February 4, 2008

Councilmember Fults motioned to approve the minutes from February 4, 2008. Councilmember Durrell seconded and the motion passed 3-0.

2. Selection of Vice-Chair and Committee Liaisons

Chairperson Erickson noted that newly-appointed Councilmember Gene Schenberg was not being able to attend tonight's meeting. At the same time he was appointed to City Council, replacing former-Councilmember Durrell, he also started a new job.

City Administrator Herring noted that he had spoken to Councilmember Schenberg, regarding committee liaisons. Due to the demands of his new job, it would be Councilmember Schenberg's preference to serve as liaison to either the Human Rights Commission or the MIS Citizens Advisory Committee. Mr. Herring commented that Councilmember Schenberg had previously served as a member of the MIS Citizens Advisory Committee.

Councilmember Hurt made a motion to elect Councilmember Fults as Vice Chair of the F&A Committee. Chairperson Erickson seconded and the motion was passed 3-0.

Following discussion, Councilmember Fults made a motion to designate Councilmember Fults as liaison to Chesterfield Arts, Councilmember Erickson as liaison to the F&A Citizens Advisory Committee, Councilmember Hurt as liaison to the Human Rights Commission and Councilmember Schenberg as liaison to MIS Citizens Advisory Committee. Councilmember Hurt seconded and the motion was passed 3-0.

3. Discussion/Update: Chesterfield Municipal Court Establishes Separate “Non-Traffic Violations” Court docket

Chairperson Erickson recognized City Administrator Herring and asked that he lead the discussion on this item. Mr. Herring first noted that the changes being discussed tonight were the direct result of meetings that had taken place, over a series of months, involving Judge Rick Brunk, Prosecuting Attorney Tim Engelmeyer, Director of Planning/Public Works Mike Geisel, City Attorney Heggie and himself and that the process and the changes being implemented had been summarized in Mr. Heggie’s letter, dated May 8, 2008, included in the packet. Mr. Herring emphasized that these changes were in direct response to numerous comments/concerns express by City Council regarding “non-traffic” violations and the need for the City to improve the prosecution of such offenses. Due to the volume of cases processed by our Court and the growing volume of “non-traffic” violations, the Court determined that the best way to address this problem was to establish a separate court docket for “non-traffic” violations. Mr. Herring noted that, effective June 1, the Court is now scheduling two (2) additional court sessions, starting at 4pm, with each session scheduled no more than two (2) weeks apart. Previously, our Court heard “non-traffic” violations, one time each month, which meant that continuances would result in a minimum delay of one month, which could easily stretch beyond that. Separating the non-traffic violations out from the regular docket, meant that these cases could be heard in a more timely fashion. This has the added benefit of allowing our Code Enforcement Officers to attend these court sessions, during regular work hours and, if court were to last beyond 5pm, any overtime would be minimal.

Mr. Engelmeyer shared with the Committee that the volume of these cases has grown significantly. According to a report prepared by our Court Administrator, “non-traffic” violations have grown by 718% since 2001. That means an increase from 27 to 200 cases per year. Plus, once the issue with the delinquent business licenses is enforced, this will increase even more. Mr. Herring commented that F&A staff would now be able to prosecute non-payment and non-renewal of business licenses and liquor licenses, as well.

Chairperson Erickson commented that he fully-supported these changes and commended everyone involved. He stated that housing code violations are likely to increase, during these tough economic times and that the City had an obligation to assist in maintaining property values, by aggressively prosecuting those who let their property fall into disrepair. Mr. Engelmeyer commented that many of the problems are caused by “absentee landlords” and “putting some teeth” into our prosecution, should help to make them more responsive.

Councilmember Fults stated that the City has now hired the best Code Enforcement Officers, since she has been on City Council and they are very good at identifying and correcting problems, especially with the Court’s help in establishing these special court sessions.

Director of Planning/Public Works Mike Geisel stated that this is one part of a larger process. The cases that the court hears are the properties that our employees cannot work with the property owners to abate. The two current Code Enforcement Officers work directly with the property owners and do everything possible to solve problems, before sending violators to Court. However, he noted that violators have learned the process and that, under the old system, they could “buy several months of time”, by seeking a continuance. Under the new system, with the Court clearly making prosecution a priority, several cases have been resolved, without even going to Court.

Discussion followed regarding the additional time that was being allocated by the Court and Staff to address these concerns. Mr. Engelmeier assured the Committee that he and the Judge both spend multiple hours preparing for each Court docket, in addition to time spent interacting with violators and/or their attorneys.

City Administrator Herring pointed out that even though Judge Brunk could not be here, he was very actively involved with identifying and then solving this problem. Mr. Herring was very complimentary of the cooperative efforts by the Judge and the Prosecuting Attorney, throughout this entire process.

Councilmember Dan Hurt stated that Prosecuting Engelmeier and Judge Brunk have done a great job, but his only concern is the actual cost to the City. Mr. Herring pointed out that that issue would be discussed in Executive Session.

Following additional discussion, the Committee members thanked Mr. Engelmeier for these changes and for making prosecution of these “non-traffic” violations a priority. The Committee members also asked that he convey the Committee’s thanks to Judge Brunk, as well.

4. Executive Session

Chairperson Erickson noted that the Committee needed to go into Executive Session (closed meeting) to discuss some “personnel matters”. Councilmember Fults made a motion to go into an Executive Session [closed meeting, as provided by RSMo 610.021(3)], for the purpose of discussing personnel matters. Councilmember Hurt seconded the motion. A roll call vote following, with the following results: AYES – Erickson, Fults, Hurt; NAYS – None. The Executive Session was then called to order at 5:54PM. The regular Committee meeting then reconvened, at 6:24PM.

5. Financial Update

Chairperson Erickson recognized Director of Finance and Administration Lori Helle and asked that she summarize her report. Ms. Helle stated that she had prepared a Financial Update, for the first quarter of 2008, and had distributed same in the packet for tonight’s Committee meeting. According to Ms. Helle, the City finished the first quarter in sound financial condition. Ms. Helle stated that sales tax revenues for the General Fund were

slightly up for the first quarter, due to the dissolution of the Valley TIF District. Early indications are that revenues for the second quarter are also up.

Ms. Helle also stated that \$2.30 per gallon was budgeted for fuel costs last year, but due to the anticipation of an increase in gas prices, \$3.00 was budgeted for FY2008. However, the most recent fuel bill indicated that the City has not exceeded \$2.87 per gallon. The City purchases its fuel through a cooperative contract and the City is exempt from taxes, so the City's costs are quite a bit lower than the average consumer's costs.

Court revenues are down slight, but that is due to one court session being cancelled in March, due to bad weather.

Ms. Helle noted that all revenues from the "wireless" settlements are not included in projections for the FY2008 Budget. Mr. Herring commented that those revenues, including both "back taxes" and monthly revenues, would become part of Fund Reserves, upon receipt.

Ms. Helle commented, while total expenditures are somewhat higher, than this same time last year, that is due, primarily, to several larger, capital expenditures having taken place. She noted that Staff does an excellent job of monitoring the performance of the budget and that many line items are actually below budgeted amounts.

Mr. Herring commented that one of the few "good" things about being in the County-wide "Sales Tax Pool", was the fact that Chesterfield and other "pool" cities are somewhat "insulated" as to the effects of economic downturns. He noted that the City's two "point-of-sale" sales taxes, the Parks Sales Tax and the Capital Improvement Sales Tax, have continued to perform well, due to the continued growth and development of Chesterfield and the fact that Chesterfield remains a "point of destination" for many people.

Chairperson Erickson suggested that Staff complete a "sensitivity analysis", for the balance of 2008, to determine the impact upon the City's budget, if sales tax receipts were to drop significantly. Following additional discussion, the Committee thanked Ms. Helle for her report.

6. 1st Quarter Budget Adjustments

Chairperson Erickson noted that Staff was requesting the Committee to endorse some "administrative" adjustments to the FY2008 Budget. Both Mr. Herring and Ms. Helle noted that budget adjustments are typically required each year, at this time. Ms. Helle commented that the adjustments being proposed tonight are due to the creation of the "Development Services" Division. Purchase Orders from last year, that were carried forward, were originally issued to a different division, so a budget adjustment is needed to code them to the correct division, within the budget. They are all an internal management function only--expenditures are not increasing.

Councilmember Fults made a motion to recommend approval of the budget amendments. Councilmember Hurt seconded and the motion was passed 3-0.

7. Discussion Regarding Prioritization of Uses for Available Fund Reserves

Councilmember Fults made a motion to move this item to the end of the agenda. Councilmember Hurt seconded and the motion was passed 3-0.

8. Proposed Legislation

A. Proposed Ordinance Eliminating the “Chesterfield Arts Commission”

City Administrator Herring stated that because the “Chesterfield Arts Commission” has ceased to function, due to all of the original members being active members of Chesterfield Arts, Mr. Heggie had drafted an ordinance to simply abolish the Chesterfield Arts Commission. There is no longer any functional relevance for this Commission.

Councilmember Hurt stated that he would not be voting on this ordinance tonight because he wanted to first talk to former-Councilmember Politte about this Commission. Mr. Politte is the one that got this started years ago and he wants to make sure Mr. Politte is ok with abolishing this commission. Therefore, he would abstain.

Councilmember Fults made a motion to move this proposed legislation to City Council. Chairperson Erickson seconded and the motion was passed 2-0-1, with Councilmember Hurt abstaining. Chairperson Erickson noted that this proposed legislation would now be placed on the June 16 City Council meeting agenda.

B. Video Service Providers Ordinance

City Administrator Herring stated that this ordinance was drafted to give the City some degree of regulation over cable television providers. Mr. Heggie noted that this ordinance would allow the City to have limited rights to regulate these companies, since most City regulation has now been pre-empted by State law.

Councilmember Fults made a motion to accept this proposed legislation. Councilmember Hurt seconded and the motion passed 3-0. Chairperson Erickson noted that this proposed legislation would now be placed on the June 16 City Council meeting agenda.

9. Notary Public Fees Policy

City Administrator Herring stated that, since incorporation, the City has not charged for notary services; therefore, word has spread and the demand for notary services has grown, over the years, which requires a good deal of Staff time. Staff is now proposing a fee of \$2.00 per page being notarized, for any “non-City related” documents. All City-related notary services, would continue to be provided, at NO COST. According to both

Mr. Herring and Mr. Heggie, this proposed fee/charge is very much in-line with the amount charged across the region.

Councilmember Fults made a motion to recommend to City Council that this notary fee be established. Councilmember Hurt seconded and the motion was passed 3-0.

10. Contribution Requests

Assistant City Administrator for Community Services/Economic Development Libbey Malberg explained that three contribution requests had been submitted, for review/consideration by the Committee. Ms. Helle pointed out that the FY2008 Budget contains a total of \$9,000, for this purpose. Mr. Herring explained that the F&A Committee has been empowered, by City Council, to make the final decision regarding each of these requests.

Councilmember Hurt made a motion to approve a \$3,000 contribution to the Chamber of Commerce. Councilmember Fults seconded and the motion was passed 3-0.

Councilmember Hurt made a motion to approve the Kemp Auto Museum contribution. Chairman Erickson seconded and the motion was passed 2-1, with Councilmember Fults voting "no".

Although there was no motion made, regarding the funding request submitted by the "Bandits" hockey team, Councilmember Hurt stated that he is supportive of their request and urged them to re-submit, later in the year, with a specific event that they would like the City to support.

11. Proposed Modifications to Citizen of the Year Guidelines

The Committee agreed, in the interest of time, to table this, until the next meeting

12. Discussion: Article VII. Boards, Commission, Committees, etc.

The Committee agreed, in the interest of time, to table this, until the next meeting.

13. Discussion: Next Meeting of this Committee and Whether a Fixed Date/Time Should be Identified

Following discussion, Councilmember Fults made a motion to designate the second Monday of each month, at 5:30pm, for all future meetings of this Committee. If there is no reason to hold the meeting, the meeting can, of course, be canceled. The motion was seconded by Councilmember Hurt and approved by a vote of 3-0. Mr. Herring pointed out that the next meeting of this Committee would take place on Monday, July 14, at 5:30pm.

7. Discussion Regarding Prioritization of Uses for Available Fund Reserves

Chairperson Erickson noted that, since Councilmember Fults needed to leave the meeting and given the late hour, this discussion would be added to the July 14 Committee agenda. He asked that the Committee give consideration to the importance of using Fund Reserves to fund the proposed Amphitheater, in Central Park. While other proposed projects certainly had merit, Councilmember Erickson commented that this project would provide years of benefit and enjoyment to Chesterfield residents. He said that the Committee needed to make some decisions, in order to give some direction to Staff as to how to proceed, regarding this project and any of the others that might be given priority status.

The meeting was then adjourned at 7:03 p.m.