

MEMORANDUM

TO: Michael G. Herring, City Administrator
FROM: Brian Whittle, Assistant Director of Finance and Administration
DATE: August 23, 2011
SUBJECT: Finance and Administration Committee Meeting

The Finance and Administration Committee met on Monday August 22, 2011. Those in attendance included: Chairperson Mike Casey, Ward III; Councilmember Matt Segal, Ward I; Councilmember Elliot Grissom, Ward II; Councilmember Bob Nation, Ward IV; City Administrator Mike Herring; Assistant City Admin. for Community Services/Economic Development Libbey Tucker; and, Assistant Director of Finance/Administration Brian Whittle. Those also in attendance included Mayor Bruce Geiger; Councilmember Randy Logan, Ward III; Councilmember Derek Grier, Ward II.

Chairperson Mike Casey called the meeting to order at 5:30 p.m.

1. Approval of Minutes—March 28, 2011

Councilmember Nation motioned to approve the minutes from the March 28, 2011 meeting of this Committee. Councilmember Grissom seconded the motion. A voice vote was taken, with a 4-0 result, and the motion was approved.

2. Review/acceptance of FY2010 Audit/CAFR

Mike Williams, partner at Hochschild Bloom & Company, discussed the 2010 financial statements and related reports. He pointed out that the City received a Certificate of Achievement in Financial Reporting. He said this certificate was important for bond ratings and certainly demonstrated to the citizens of Chesterfield that the City's finances are in good hands. He next noted that the City received an unqualified opinion on the financial statements. This is the highest opinion that can be given for financial statements. Next Mr. Williams discussed the report on internal control. The report states that no deficiencies in internal control over financial reporting were noted. The next report discussed by Mr. Williams was the management letter addressed to the Mayor and City Council. This report expressed appreciation to the City's personnel for cooperation and courtesy during the audit.

Mr. Herring thanked Mr. Williams for the presentation and report. Mr. Herring commended the auditors for their tremendous effort and thoroughness. The auditors confirmed his sense that Ms. Vaughn and her entire Department were attending to ALL the financial details of the City. Mr. Herring noted that the FY2010 Comprehensive Annual Financial Report (CAFR) was prepared in-house again this year as part of staff's ongoing effort to reduce expenditures. He stated that Brian Whittle, Assistant Director of

Finance and Administration, had dedicated a significant amount of time and effort to compiling the report.

Councilmember Grissom motioned to recommend approval of the FY2010 Audit, as presented. Councilmember Segal seconded the motion. A voice vote was taken, with a unanimous result, and the motion was approved.

3. Recommendation for Setting FY2011 Property Tax Rate

Mr. Whittle stated the City has a property tax levy to pay for the retirement of a Parks General Obligation Bond issue. Originally, a \$.13 levy was required to pay for the principal and interest rates. Due to growing assessed valuation, that rate was lowered over time to \$.03. He stated that the City could continue with the \$.03/\$100 rate and maintain a healthy debt-service situation. He said that based on current conservative projections there may be a shortfall in the final years.

Mr. Herring stated that the City's property tax rate of \$.03/\$100 made up less than one half of one percent of the resident's property tax bill. He reiterated that the City did not want to collect more than was needed to make the debt payment because if the City over collects, the money will have to be refunded to the citizens.

Councilmember Nation made a motion to recommend the City Council keep the \$.03/100 property tax rate and hold readings at the next two City Council meetings. Councilmember Grissom seconded the motion. A voice vote was taken, with a unanimous result, and the motion was approved.

4. Selection of Vice-Chair

Chairperson Casey nominated Councilmember Segal as Vice-Chair of the Finance and Administration Committee. A voice vote was taken, with a unanimous result, and the motion was approved.

5. Selection of Citizen Advisory Committee Liaisons

Chairperson Casey nominated the following Committee liaisons: Councilmember Nation as a liaison to the Finance & Administration Citizens Advisory Committee; Chairperson Casey as liaison to the Human Rights Commission; and, Councilmember Grissom as liaison to the MIS Citizens Advisory Committee. A voice vote was taken, with a unanimous result, and the motion was approved.

6. Contribution to Special Event

Ms. Tucker stated that, as budgeted in 2011, the Finance and Administration Committee can award up to \$6,000, for community programs. She stated that \$3,000 is remaining in the budget for 2011. She explained that the St. Louis Civic Orchestra is applying for that

amount. She said that the Orchestra is trying to add a fifth concert this year at the Amphitheater. She stated that in years past, the City has given \$3,000 to this group.

Councilmember Nation made a motion to approve funding for the St. Louis Civic Orchestra at \$3,000. Councilmember Segal seconded the motion. A voice vote was taken, with a 4-0 result, and the motion was approved.

7. F&A Committee Meeting Schedule for 2011/2012

Mr. Whittle stated that the meetings are currently planned for the fourth Monday of every month except for when a holiday interferes.

Councilmember Grissom made a motion to approve the meeting schedule as proposed. Councilmember Segal seconded the motion. A voice vote was taken, with a unanimous result, and the motion was approved.

8. Proposed 2012 City Council Meeting Schedule

Mr. Herring stated the schedule is made in advance every year. He said during the scheduling process, the City tries to account for all holidays and religious observances so no citizens would be excluded from attending City Council meetings.

Councilmember Segal made a motion to recommend that City Council approve the proposed meeting schedule, for calendar year 2012. Councilmember Grissom seconded the motion. A voice vote was taken, with a unanimous result, and the motion was approved.

9. Recommendation for Utilizing Trafficpayment.com for Court Fines

Mr. Whittle explained that the City does not currently collect court fines over the phone and the internet due to costs concerns and the rules associated with storing credit card numbers. He stated that the City has found a service, trafficpayment.com, that will collect the fines over the internet and phone. He said utilizing the service **will not reduce** the amount of money that the City collects and that the City will not have to store any credit card numbers. He noted that trafficpayment.com, will recoup their costs by charging a fee on the tickets. The fees are in line with Missouri state statutes and will be around \$7.95 per \$100 fine. Finally, he noted that the City Attorney, Court Administrator, and City Judge have all reviewed the agreement with company and agree with using the service.

Councilmember Nation asked if the \$7.95 fee was too high and if there was a way that it could be lowered. Mayor Geiger said that this is a convenience option and if people find that the fee is too high, they can walk in to the court and/or mail in a check.

Mayor Geiger asked how long the City would be obligated to use the service after signing up for it. Mr. Whittle stated that City can cancel if we are not satisfied with the service.

Councilmember Segal made a motion to recommend that the City Council approve trafficpayment.com as the on-line and phone payment system for courts. Councilmember Grissom seconded the motion. A voice vote was taken, with a unanimous result, and the motion was passed.

10. Discussion Regarding FY2011 Financial Update

Mr. Whittle noted that the City's revenues are performing above or close to budget. He noted that sales taxes have increased compared to the prior year for FIVE consecutive months. He pointed out that telephone taxes are down as discussed previously but other utility taxes like electricity are performing at a high enough level to more than offset the decline in telephone taxes. He stated that pool revenues as of July 30, had already exceeded the budget for 2011. The pool in July received 44% more revenues than were collected in July of last year. Finally he noted that expenditures are performing at or below budget.

Mr. Herring said that the same team that has represented Missouri Cities in the past against the telephone companies is working to clear up the current telephone issue. He stated that he will keep the committee updated on any changes or progress made.

11. Suggestion to Investigate Changing City LOGO

Chairperson Casey explained that he felt the City logo is beginning to become old and he wanted to explore a new logo for the City. He felt that the 25 year anniversary of the City in 2013 would be a good time to implement a new logo. He noted that the City has changed in the past 25 years and would like a logo that reflects the change. He said that a new logo could be designed for around \$5,000- \$8,000.

Councilmember Segal noted that the design would not be the big expense; rather the expense would come from changing the City signs, business cards, flags, etc. He did note that maybe we could implement the new logo as items were replaced. Chairperson Casey asked if the City could investigate the cost of replacing the logo.

Councilmember Grier stated that he would like to see public input or maybe even a public contest to design the new logo. He felt that similar activities in the past had been well received.

Councilmember Segal made a motion to direct City Staff to investigate the cost of changing the logo. Councilmember Grissom seconded the motion. A voice vote was taken, with a unanimous result, and the motion was passed.

4. Adjournment

There being no further business to discuss, Chairperson Casey adjourned the regular meeting at 6:29 p.m. The Committee's next meeting has been tentatively scheduled for Monday, September 26, at 5:30pm.