

MEMORANDUM

TO: Michael G. Herring, City Administrator
FROM: Kelly Vaughn, Director of Finance and Administration
DATE: September 26, 2011
SUBJECT: Finance and Administration Committee Meeting

The Finance and Administration Committee met on Monday September 26, 2011. Those in attendance included: Chairperson Mike Casey, Ward III; Councilmember Matt Segal, Ward I; Councilmember Bob Nation, Ward IV; City Administrator Mike Herring; Director of Finance and Administration, Kelly Vaughn; 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; Stacey Morse, Executive Director of Chesterfield Arts; Nicole Dutton, Associate Director of Chesterfield Arts; and Bud Hirsch. Councilmember Elliot Grissom, Ward II was unable to attend.

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

1. Approval of Minutes—August 22, 2011

Councilmember Segal motioned to approve the minutes from the March 28, 2011 meeting of this Committee. Councilmember Nation seconded the motion. A voice vote was taken, with a 3-0 result, and the motion was approved.

2. Recommendation Regarding Banking Services

Kelly Vaughn, reported that the two year agreement with the City's current bank, Reliance Bank, was subject to end on December 31, 2011. She said that the contract could be renewed for another two years or the City could issue an RFP for banking services. She said that the service from the bank had exceeded expectations and that the interest rate they offer is higher than she can secure elsewhere. However, she noted that Reliance Bank has been in the news recently due to troublesome financials. She stated that the City's money is fully collateralized and the City has a plan in place in case of a shutdown of the bank.

Mayor Geiger stated that he recently met with the Reliance Bank CEO along with Ms. Vaughn and the City Attorney. He stated that he did not feel anything would happen with the bank in the near term; however, the possible risk of a problem necessitated the need to go out for RFP on banking services. He also stated that the RFP process would not exclude Reliance Bank and they would have the opportunity to retain the City.

Councilmember Segal agreed that the higher interest rate was not worth the possible negative backlash if the bank did run into serious trouble. He said that when the City agreed to a two-year banking contract with Reliance Bank, they were in much better financial shape.

Mr. Herring agreed with the Mayor and Councilmember Segal and said it is always in the best interest of the City to be prudent. He also agreed that after examining the RFP responses, Reliance Bank could still be the City's bank. He also reminded everyone that there was absolutely no indication that Reliance Bank was in danger of closing down.

Councilmember Segal made a motion to direct the staff to move forward with a banking RFP for 2012-2013. Councilmember Nation seconded the motion. A voice vote was taken, with a 3-0 result, and the motion was approved.

3. Recommendation for Contribution – Chesterfield Arts Project

Ms. Tucker stated that Chesterfield Arts has designed a public art project that was endorsed by the Public Art Committee. She stated that the project will give Chesterfield students and art teachers an opportunity to make sculptures for their school. The students will receive professionally molded chairs and will develop concepts for them and then execute their design. She stated that Chesterfield Arts is requesting \$25,000 from the City and that the total cost of the project is \$85,300 of which another \$25,000 has already been secured.

Ms. Dutton said the project is in line with the Public Art Master Plan. She stated that the chairs are designed by the same group that designed the Cow project in Chicago. She said that group has worked on over 350 public art projects.

Mayor Geiger stated that he agreed with the use of the City's money for the project. He said this project will involve even more students than other public art projects have. He also said that most of the schools listed are located in Chesterfield.

Councilmember Segal asked what the quality control will be on the project. Ms. Dutton replied that in addition to having a renowned group design the chairs, she will serve as a liaison to the schools and supervise the project.

Councilmember Logan stated that he would like to make sure that the portion of the project funded by the City of Chesterfield is spent on schools in Chesterfield. Additionally, he asked if Chesterfield Arts would like any Councilmembers to contact the schools that have not yet stated their participation in the project. Ms. Morse stated that would be appreciated. Mr. Herring stated that he and the Mayor had recently met with Parkway High School and one of the topics was this project. He said that they looked into it and agreed to participate.

Mr. Herring stated he would like to know how the amount of money being spent in Chesterfield could be quantified. Mr. Hirsch replied that roughly a third of the money for the project is being funded by Chesterfield. He stated they would provide the City with documentation to show that at least a third of the total project money was spent in the City and any money donated by the City and not spent in the City would be refunded. Ms. Morse also noted that a portion of the money will be spent on advertising and that advertising will benefit the City.

Councilmember Nation stated that he was against spending more money on Arts from the City's funds. He said that he has received feedback from citizens who think the Arts should be privately funded.

Councilmember Segal made a motion to recommend that the City Council approves up to \$25,000 from General Fund fund reserves for the public art project. Councilmember Casey seconded the motion. A voice vote was taken, with a 2-1 result, and the motion was approved. Councilmember Nation voted against the motion.

4. Discussion re: Councilmembers "attending" Council Committee meetings via speakerphone

Councilmember Segal made a motion to table item 4. Councilmember Casey seconded the motion. A voice vote was taken, with a 3-0 result, and the motion was approved.

5. Discussion Regarding FY2011 Financial Update

Ms. Vaughn noted that the City's revenues are performing above or close to budget. She noted that sales taxes have increased compared to the prior year for SIX consecutive months. She also stated that expenditures are performing below budget as a result in the holding of open positions. Overall she stated that City is performing much better compared to the 2011 budget.

6. Adjournment

There being no further business to discuss, Chairperson Casey adjourned the regular meeting at 6:17 p.m. The Committee's next meeting has been tentatively scheduled for Monday, October 24th, at 5:30pm.