

2020 Chesterfield Finance Commission Part 1

THE FINANCE & ADMIN MEETING HELD AT CITY HALL WITH NO VIDEO FOR THE PUBLIC: September 22, 2020 meeting.

Here is a brief overview from Councilwoman and Chair of the Finance & Admin Commission Barb McGuinness.

Mike G's talk was basically....there's now a structural problem with the way the city is funding services. As you know.....most everything we do is funded by sales taxes.....which was fine for 30 years since incorporation when folks were generating those dollars by shopping in physical brick and mortar stores.....(like the Valley and Chesterfield Mall).

But people have changed their buying habits.....switching to the internet and online sales in droves. The city receives absolutely zero revenue from online sales. Even something like folks switching to cell phones from land lines has affected revenue.....the city receives funds from land lines....but not from cell phones.

So things have changed.....and the question is..."what are we going to do about it". Obviously.....if the city is going to provide police for our safety and security, parks and activities for our quality of life and public works like snow plowing and street/sidewalk replacement and repair.....these things cost money.....andunlike the Federal Gov.....the city can't print money.

Nobody 'avoided' 2020 in my opinion.....it's not done yet....and covid just made things worse anyway

Here is our version from listing to a 3-hour audio recording of the meeting.

This meeting started softly and then took a quick turn to the nasty supplied by Mayor Bob Nation.

The first topic was how to award the Citizen of the Year 2020 to Mark Leach since the March 2020 awards ceremony and buffet were cancelled by the COVID-19 pandemic.



Michael Moore: You could hold it outside and have a meet and greet. (how do you have a meet and greet and keep social distance?)



Barb McGuinness: We could have box lunches instead of a buffet.



Ben Keathley It is better to wait



Mary Ann Mastorakos: I wonder if we should even do it next year

McGuinness: Could we do it with the employee appreciation Christmas party?

Moore: It would take away from the employees' awards.

FINANCIAL AUDIT OF UTILITY TAXES: This came up after City Administrator Mike Geisel discovered that Ameren UE was paying utility taxes for some property in Chesterfield to Ellisville. After it was discovered the City of Ellisville forwarded the money to Chesterfield, but it left a lingering doubt about how many more misdirected taxes were Chesterfield missing.

The staff narrowed their choice to two. One from Chicago and Tri Stem in Dallas. Tri Stem wanted 40% contingency fee. The committee voted to recommend to the council (which was all there) to hire Tri Stem.

PAYING THE 2021 MUNICIPAL LEAGUE of METRO ST. LOUIS DUES. Here is where things got a little nasty. The Municipal League now includes the City of St. Louis, not just most of the 88 cities in St. Louis County. The league reduced the membership dues for 2021 by 10% due to the dropped in sale taxes caused by the pandemic. Chesterfield was looking at paying \$6,410. Here is how part of the discussion went:



Ben Keathley: There are some things they have been adverse to us on. I want to know if 2001 is going to be a year they are on our side?



Mayor Nation (with a raised voice): Mr. Keathley you don't know what you are talking about, for you to sit there and ask a question like that. It is important to have a seat at the table.



Barb McGinness (Chair of Finance Commission): (directed at Mayor Nation) We are all here to learn. He was simply asking a question.

Ben Keathley: I think it is a fair question before we pay money to an organization if they are looking out for our best interest.



Tom DeCampi: I don't believe they are our friends (Muni League). I keep hearing "we have a seat at the table." What good is a seat at the table? I think they are still in favor of Better Together. A seat at the table to discuss things? We can do that anyway by calling people on the phone. Shall we spare \$6,400 to give out an opinion?

THE VOTE: The Commission of McGuinness, DeCampi, Mastorakos and Moore voted. It was a 3-1 vote with DeCampi voting no.

RETAINING JEFFERSON CITY STATE CAPITAL LOBBYIST AND ADVISOR: Next up was whether to renew a contract Gamble & Schlemeier for lobbying and advice on matters at the State House with \$40,000 to be paid in month installments.



Mayor Nation: I'm thoroughly frustrated with Jeff City. But I can't blame it on Jeff Banks (employee of Gamble & Schlemeier assigned to Chesterfield).



Mike Geisel, City Admin: You can call him at 8 or 9 o'clock at night or on weekends and ask a question.



Tom DeCampi: What have we really gotten? We have two former councilmen who are State Reps. We pay our City Attorney \$200,000 a year (part time) who has contacts in Jeff City.

I'm not convinced we need to spend \$40,000. Whose message are we telling him to take to Jeff City. The Mayor's or the taxpayers? The mayor supported a bill for an increase in gas (gasoline) taxes.

Mayor Bob Nation: Two things. As far as the gas tax, Missouri has the lowest or second lowest.



Barb McGinness: We like it like that.

Tom DeCampi: My point is we are asking the taxpayers to spend \$40,000 on a political salesman in Jeff City.

VOTE: This was a 3-1 vote with DeCampi voting no.

HIRING OF LAW FIRM ARMSTONG-TEASDALE The issue was to hire outside law firm to deal with developments like Wildhorse Village and Chesterfield Mall wanting financing such as CID (Commercial Improvements District) or TDD (Traffic Development District). Armstrong-Teasdale would be working and advising the city but would be paid by the developers requesting the tax incentives. (sales tax)

This passed with little discussion.

FINANCIAL LOSES: Finance Director Jeannette Kelly gave a presentation of revenue losses this year. Of course prior to the pandemic there were losses in 2019 due to retailers leaving Chesterfield Mall and one of the Outlet Malls closing a section to build entertainment facilities. Luckily she filed charts on the website.

CHESTERFIELD DROP IN SALES TAX REVENUE A SERIOUS PROBLEM This shows a 35% drop in revenue.

	<u>2020 Budget</u>	<u>2020 YTD Actual</u>	<u>2020 Actual As % of Budget</u>	<u>2019 Actual</u>
<u>General Fund Revenues:</u>				
Sales Taxes	\$ 6,899,967	\$ 4,983,423	72.2%	\$ 7,193,842
Utility Taxes:				
Gas, Water, and Electricity Taxes	5,950,754	4,049,793	68.1%	5,721,105
Telephone Taxes	1,110,831	606,303	54.6%	994,479
Licenses and permits	1,580,070	1,195,490	75.7%	1,490,178
Intergovernmental				
Taxes	4,008,000	2,481,975	61.9%	4,047,508
Grants	-	-	0.0%	-
Charges for services	173,250	60,800	35.1%	132,330
Court fines and forfeitures	821,656	371,806	45.3%	779,665
Other Revenues	660,190	220,799	33.4%	671,693
Total Revenues	<u>21,204,718</u>	<u>13,970,389</u>	<u>65.9%</u>	<u>21,030,800</u>

SALES TAX: (POOL)

2018	2019	% incr/-decr from 2018 to 2019	2020	% incr/-decr from 2019 to 2020
527,666	546,623	3.59%	512,350	-6.27%
680,722	489,247	-28.13%	619,993	26.72%
696,023	781,521	12.28%	610,317	-21.91%
538,378	530,052	-1.55%	489,212	-7.70%
464,664	405,484	-12.74%	455,944	12.44%
573,231	624,799	9.00%	535,475	-14.30%
711,126	658,266	-7.43%	537,056	-18.41%
522,633	499,699	-4.39%	491,401	-1.66%
739,637	777,310	5.09%	731,675	-5.87%
585,894	571,231	-2.50%		-100.00%
493,373	533,344	8.10%		-100.00%
632,910	679,794	7.41%		-100.00%
<u>7,166,257</u>	<u>7,097,370</u>	<u>-0.96%</u>	<u>4,983,423</u>	<u>-6.20%</u>

Electric Utility Tax

2018	2019	% incr/-decr from 2018 to 2019	2020
239,982	266,881	11.21%	250,541
301,329	273,017	-9.40%	252,710
255,911	255,832	-0.03%	257,751
250,957	248,955	-0.80%	233,418
240,779	215,335	-10.57%	214,909
265,501	228,520	-13.93%	216,475
475,558	407,727	-14.26%	367,267
561,716	461,623	-17.82%	453,424
521,837	489,852	-6.13%	477,295
478,362	467,739	-2.22%	
305,739	302,460	-1.07%	
241,689	228,173	-5.59%	
<u>4,139,360</u>	<u>3,846,113</u>	<u>-7.08%</u>	<u>2,723,790</u>

Gas Utility Tax

2018	2019	% incr/-decr from 2018 to 2019	2020
125,137	160,825	28.52%	135,384
203,609	172,406	-15.33%	158,810
156,894	196,016	24.94%	158,035
129,827	161,328	24.26%	124,562
122,955	88,467	-28.05%	85,447
59,958	62,318	3.94%	64,820
44,063	48,908	10.99%	48,736
42,183	44,854	6.33%	44,875
42,262	44,301	4.82%	43,322
44,528	51,986	16.75%	
52,095	52,451	0.68%	
116,070	118,237	1.87%	
1,139,582	1,202,096	5.49%	863,991

Water Utility Tax

2018	2019	% incr/-decr from 2018 to 2019	2020
7,411	38,865	424.43%	36,464
126,284	89,510	-29.12%	70,926
-	26,147	0.00%	39,013
4,196	21,402	410.07%	35,503
92,323	76,974	-16.63%	60,881
30,053	32,540	8.28%	49,012
5,323	37,303	600.82%	49,665
173,803	112,175	-35.46%	118,450
35,542	54,016	51.98%	
10,817	52,351	383.97%	
227,364	143,649	-36.82%	
41,350	54,196	31.07%	
754,464	739,127	-2.03%	459,914

Telephone Utility Tax

2018	2019	% incr/-decr from 2018 to 2019	2020
114,129	115,103	0.85%	94,036
103,008	95,992	-6.81%	68,611
81,270	80,715	-0.68%	67,287
117,001	102,300	-12.56%	88,245
91,179	79,639	-12.66%	67,762
99,234	81,555	-17.82%	66,120
108,036	90,146	-16.56%	81,538
98,992	76,597	-22.62%	72,434
101,037	72,637	-28.11%	
102,923	85,539	-16.89%	
101,216	72,489	-28.38%	
93,396	61,884	-33.74%	
1,211,420	1,014,595	-16.25%	606,033

Gasoline Tax

2018	2019	% incr/-decr from 2018 to 2019	2020
105,559	104,895	-0.63%	104,544
105,924	105,390	-0.50%	106,050
98,970	99,498	0.53%	100,988
91,191	91,166	-0.03%	98,389
107,858	107,694	-0.15%	96,806
99,514	105,506	6.02%	78,301
118,347	111,733	-5.59%	91,445
108,740	108,221	-0.48%	103,421
102,242	118,924	16.32%	
119,851	113,412	-5.37%	
105,057	105,909	0.81%	
111,907	113,549	1.47%	
1,275,160	1,285,900	0.84%	779,944

Motor Vehicle Sales Tax

2018	2019	% incr/-decr from 2018 to 2019	2020
51,766	46,162	-10.83%	50,465
50,084	54,171	8.16%	54,534
47,006	43,525	-7.41%	37,976
64,108	54,562	-14.89%	65,144
57,447	57,723	0.48%	34,569
59,360	52,404	-11.72%	33,781
51,878	55,077	6.17%	67,757
59,280	58,440	-1.42%	74,728
55,413	62,126	12.11%	
48,395	56,932	17.64%	
51,007	55,666	9.13%	
47,276	51,226	8.36%	
643,020	648,014	0.78%	418,954

Cigarette Tax

2018	2019	% incr/-decr from 2018 to 2019	2020
8,736	8,154	-6.66%	9,404
7,396	6,971	-5.75%	5,680
9,683	5,373	-44.51%	6,390
8,131	7,647	-5.95%	13,160
7,327	9,153	24.91%	4,473
10,729	9,655	-10.01%	8,319
9,242	6,301	-31.82%	9,321
9,566	9,898	3.46%	8,903
9,265	11,072	19.50%	
7,900	6,839	-13.43%	
9,809	8,068	-17.74%	
7,079	7,566	6.88%	
104,864	96,698	-7.79%	65,650

City of Chesterfield
Statement of Revenues and Expenditures (Cash Basis)
Public Safety Fund
FY2020
Month Ended September 14, 2020

	<u>2020 Budget</u>	<u>2020 YTD Actual</u>	<u>2020 Actual As % of Budget</u>	<u>2019 Actual</u>
<u>General Fund Revenues:</u>				
Sales Taxes	\$ 2,670,500	\$ 1,896,914	71.0%	\$ 2,639,884
Other	\$ 990,447	\$ 540,855	54.6%	\$ 1,057,084
Transfers from GF	\$ 7,893,573	\$ 5,205,687	65.9%	\$ 7,546,668
Total Revenues	<u>11,554,520</u>	<u>7,643,456</u>	<u>66.2%</u>	<u>11,243,636</u>
<u>Public Safety Fund Expenditures:</u>				
Police	11,554,520	7,643,456	66.2%	11,243,636
Total Expenditures	<u>11,554,520</u>	<u>7,643,456</u>	<u>66.2%</u>	<u>11,243,636</u>

Public Safety Prop P

2018	2019	% incr/-decr from 2018 to 2019	2020	% incr/-decr from 2019 to 2020
164,751	234,611	42.40%	232,003	-1.11%
206,280	195,645	-5.16%	214,506	9.64%
259,273	270,763	4.43%	243,488	-10.07%
203,078	212,548	4.66%	194,379	-8.55%
173,349	157,889	-8.92%	177,418	12.37%
214,913	241,967	12.59%	206,346	-14.72%
267,937	244,721	-8.66%	193,418	-20.96%
185,476	178,514	-3.75%	174,355	-2.33%
258,311	275,284	6.57%	261,001	-5.19%
204,404	190,788	-6.66%		-100.00%
167,605	183,373	9.41%		-100.00%
221,792	237,529	7.10%		-100.00%
2,527,168	2,623,632	3.82%	1,896,914	-5.72%

City of Chesterfield
Statement of Revenues and Expenditures(Cash Basis)
Parks Sales Tax Fund
FY2020
Month Ended September 14, 2020

	<u>2020 Budget</u>	<u>2020 YTD Actual</u>	<u>2020 Actual As % of Budget</u>	<u>2019 Actual</u>
Revenues:				
Sales Tax	\$ 6,674,640	\$ 4,553,362	68.22%	6,716,871
Intergovernmental	-	201,963	0.00%	24,800
Parks and Recreation	2,134,665	218,863	10.25%	2,094,792
Other Revenues	80,741	21,116	26.15%	91,941
Total Revenues	<u>8,890,046</u>	<u>4,995,304</u>	<u>56.19%</u>	<u>8,928,404</u>
Expenditures:				
Parks	<u>6,744,476</u>	<u>3,138,635</u>	<u>46.54%</u>	<u>5,793,615</u>
Transfers In/Out (net)	<u>2,991,699</u>	<u>401,541</u>	<u>13.42%</u>	<u>1,778,604</u>

Parks Sales Tax

2018	2019	% incr/-decr from 2018 to 2019	2020	% incr/-decr from 2019 to 2020
513,770	592,664	15.36%	594,364	0.29%
662,025	596,918	-9.83%	607,500	1.77%
682,606	646,180	-5.34%	592,994	-8.23%
521,473	513,996	-1.43%	470,077	-8.54%
459,803	397,312	-13.59%	394,532	-0.70%
559,493	589,028	5.28%	447,233	-24.07%
670,055	615,709	-8.11%	404,914	-34.24%
488,123	505,833	3.63%	438,003	-13.41%
654,621	675,012	3.11%	603,744	-10.56%
540,057	491,866	-8.92%		-100.00%
478,083	482,983	1.02%		-100.00%
568,331	597,087	5.06%		-100.00%
6,798,440	6,704,589	-1.38%	4,553,362	-11.29%

City of Chesterfield
Statement of Revenues and Expenditures(Cash Basis)
Capital Sales Tax Fund
FY2020
Month Ended September 14, 2020

	<u>2020 Budget</u>	<u>2020 YTD Actual</u>	<u>2020 Actual As % of Budget</u>	<u>2019 Actual</u>
Revenues:				
Sales Tax	\$ 5,679,178	\$ 3,870,238	68.15%	5,709,344
Other Revenues	-	178	0.00%	(188,423)
Total Revenues	<u>5,679,178</u>	<u>3,870,416</u>	<u>68.15%</u>	<u>5,520,922</u>
Expenditures:				
Public Works	<u>7,939,615</u>	<u>4,643,900</u>	<u>58.49%</u>	<u>4,761,881</u>
Transfers In	1,090,000	1,090,000	100.00%	-
Transfers Out	-	-	0.00%	1,944,250
Net Transfers	<u>1,090,000</u>	<u>1,090,000</u>	<u>100.00%</u>	<u>(1,944,250)</u>

Capital Improvement Sales Tax

2018	2019	% incr/-decr from 2018 to 2019	2020	% incr/-decr from 2019 to 2020
436,705	503,765	15.36%	505,210	0.29%
562,765	507,380	-9.84%	516,375	1.77%
580,217	549,253	-5.34%	504,045	-8.23%
443,254	436,897	-1.43%	399,566	-8.54%
390,834	337,716	-13.59%	335,352	-0.70%
475,569	500,675	5.28%	380,149	-24.07%
569,551	523,353	-8.11%	344,177	-34.24%
414,904	429,959	3.63%	372,182	-13.44%
556,429	573,760	3.11%	513,183	-10.56%
459,046	418,086	-8.92%		-100.00%
406,371	410,537	1.03%		-100.00%
483,081	507,524	5.06%		-100.00%
<u>5,778,725</u>	<u>5,698,904</u>	<u>-1.38%</u>	<u>3,870,238</u>	<u>-11.29%</u>

2020 YTD Top Revenue producing 2019 YTD

**Top 40 Sales Tax - Year To Date
City of Chesterfield**

Distribution Period:	
Rank	Account Name
1	Motor Vehicle Account
2	Sams Club
3	Walmart Stores East I LP
4	Dierbergs Markets
5	Schnuck Markets Inc
6	The Home Depot
7	Target Stores
8	Best Buy Stores LP
9	Lowes Home Centers LLC
10	Daikin TMI LLC
11	Vermeer Sales & Service of MI
12	Ameren Missouri
13	Total Wine & More
14	Trader Joes #692
15	Aldi Inc
16	Walgreen Co
17	Topgolf USA Chesterfield LLC
18	Smoke House Mkt Inc
19	Aminis Home Rug & Gameroom
20	Ferguson US Holdings

21	Tapestry Inc
22	Nike Retail Services
23	AT&T Mobility
24	Dicks Sporting Goods Inc
25	Earthworks Inc
26	Macys
27	Panera Bread Co
28	Spire Missouri Inc
29	Bestbuy Com 30
30	Southwestern Bell Telephone
31	Netelligent Corporation
32	Truman Arnold Companies
33	Chick-Fit-A at Chesterfield Valley
34	Siteone Landscape Supply LLC
35	Beck Allen Sales Corporation
36	Golf Galaxy LLC
37	OfficeMax North America Inc
38	Double Tree Chesterfield
39	Metro Electric Metro Lighting
40	Verizon Wireless

Distribution Period:	
Rank	Account Name
1	Motor Vehicle Account
2	Sams Club
3	Walmart Stores East I LP
4	Dierbergs Markets Inc
5	Target Stores
6	Topgolf USA Chesterfield LLC
7	Ameren Missouri
8	Schnuck Markets Inc
9	Daikin TMI LLC
10	Best Buy Stores LP
11	Lowes Home Centers LLC
12	Trader Joes #692
13	The Home Depot
14	Total Wine & More
15	Vermeer Sales & Service of MI
16	Tapestry Inc
17	Macys
18	Smoke House Mkt Inc
19	Nike Retail Services Inc
20	Walgreen Co

21	Double Tree Chesterfield
22	Aldi Inc
23	AT&T Mobility
24	Truman Arnold Companies
25	Dicks Sporting Goods Inc
26	Ferguson Enterprises
27	Panera Bread Co
28	Drury Plaza Chesterfield
29	Aminis Home Rug & Gameroom
30	Anntaylor Retail Inc
31	Ralph Lauren Retail
32	Southwestern Bell Telephone
33	Old Navy
34	Diamonds Direct Management
35	Mid Rivers 14 Cine
36	The Cheesecake Factory
37	Golf Galaxy
38	Verizon Wireless
39	Spire Missouri
40	PVH Retail Stores Inc

For over an hour City Administrator Mike Geisel put on a visual talk about revenue and services from 2014 to 2019. He did not discuss the pandemic. Since I only had an audio recording of the meeting, I was glad my computer had 4-suite solitaire.

Geisel need his talk saying, “We have a high level of services, but not as high as five years ago.”



Mike Moore : Looking at pursuing a property tax.. The second option is what do you do to reduce services and expenses”

Moore than made a motion for the staff to look at other measures to raise revenue, including property taxes.



Mary Ann Mastorakos: Look at increasing the utility taxes.



Mayor Nation: Someone mentioned an entertainment tax.



Barb McGuinness: All those in favor of the motion raise your hand. Tom you didn't raise your hand.



Tom DeCampi: That is because I'm against it.

The 3-hour, 1-minute meeting then ended.

The were two members of the public in attendance. There are normally 50-75 people who tune in a live or recorded video of council meeting. I was told that it was the

decision by Chairwoman Barb McGuinness not to have a live version or at least an audio version or recording of the meeting. Residents upset about this might send some emails to City Hall or Barb about the fact it was unavailable to the public.