WORK SESSION MEETING
AGENDA
CITY OF CREVE COEUR
CITY COUNCIL
300 NORTH NEW BALLAS RD
MAY 9, 2016
6:00 PM

CALL TO ORDER

DISCUSSION ITEMS

1. **Review of Proposed FY 17 Budget**

   Summary: Staff will review with Council the proposed FY 17 Budget.
   http://creve-coeur.org/index.aspx?nid=836

Pursuant to Section 610.022 RSMo., the City Council could, at any time during the meeting, vote to close the public meeting and move to closed session to discuss matters relating to litigation, legal actions and/or communications from the City Attorney as provided under Section 610.021(1) RSMo. and/or personnel matters under Section 610.021(13) RSMo. And/or employee matters under Section 610.021(3) RSMo. and/or real estate matters under Section 610.021(2) or other matters as permitted by Chapter 610.

Posted: ___________________________ posted 05/5/2016
Deborah Ryan, MPCC
City Clerk

City Council
300 North New Ballas Rd
Creve-Coeur, MO 63141

Debbie Ryan
City Clerk
(314) 872-2517
www.creve-coeur.org/

Meeting: 05/09/16 06:00 PM

DISCUSSION ITEM (ID # 1926)

DOC ID: 1926

Review of Proposed FY 17 Budget

Finance Committee

May 2, 2016

Mayor and City Council
City of Creve Coeur Missouri
Creve Coeur MO 63141

Re: Preliminary Operating Budget FY2017

Honorable Mayor and City Council:

The Finance Committee reviewed the Preliminary Operating Budget for FY2017 during meetings held on April 12 and 26. Staff input was provided by Dan Smith, Mark Perkins, Chief Glenn Eidman and Sharon Stott. Our review of the FY2017 Operating Budget as a whole revealed no areas of critical concern. Revenue and expenditure forecasts are believed conservative without apparent risk.

Since the operating surplus is forecast to diminish due to increasing expenditures and flat revenue, the Committee recommends preparation of a plan during FY2017 to realign revenues and expenditures with the goal of forecasting an operating surplus in subsequent years. The Proposed Operating Budget for FY2017 is recommended to Council for adoption, with several comments, as follows.

Discussion Points:

1. **Cost Control**. Wages comprise the majority of the operating budget and are trending upward due to increased salaries and benefits. Without additional revenue, the long-term implication is decreased staff levels and reduced level of service unless productivity improvements and cost reductions can be identified. To this end, the Committee recommends attention to cost accounting to understand the full cost of operating city facilities and programs, followed by an internal study of ways to enhance cost control.

2. **Capital Improvement Plan Supplements**. The Capital Improvements Sales Tax revenue is flat and stable; it is insufficient to accommodate forecast spending without grant matches and supplementation from the General Fund. Reducing expenditures for road repair and reconstruction will be difficult given the overall aging of the transportation infrastructure. Since transfers from the operating budget may be limited in the future, it may be necessary for Council to consider reducing the capital program or increasing the sales tax rate.

3. **Benchmark Facility Costs**. The proposed new Police Department building and renovations to the Government Center will improve employee working conditions and are expected to improve public safety and enhance employee productivity. However, improvements come at a cost to finance the investment and operate a larger building area. The cost of utilities, cleaning, landscape maintenance and repairs all increase with increased building area. While the square foot operating cost for the new building will be lower than for the present building, total operating costs will increase. The Finance Committee urges benchmarking the present building costs and forecasting future costs so additional detail may be included in the FY2018 operating budget.

4. **Align Permit Fees With Costs.** Community Development and Buildings Department permit fees are being reviewed with the goal of permit revenue paying direct and

indirect salary costs of occupancy, zoning and building permits and inspections. The Finance Committee supports Council action to align permit revenue with permit costs, while not discouraging renovations and improvements by present residents.

Sincerely,

Richard Kutta, PE, Chair
Finance Committee

MEMORANDUM

DATE: May 5, 2016

TO: Mark Perkins, City Administrator

FROM: Daniel Smith, Director of Finance

SUBJECT: Budgeted Software

In 2006 the city purchased new accounting software for its financial functions (Government E-Management Solutions, (GEMS)). This included accounts payable, accounts receivable, cash receipts, accounting and payroll. This software has served the city well but has become outdated. In fact, two years ago the city was required to spend approximately $20,000 to modify the current software in order that it could be maintained by the provider, Harris ERP. At that time it was recommended changing over to more current software known as Innovative Enterprise (Innoprise) to ensure continued future maintenance and upgrades. That changeover would cost over $150,000 at that time. Therefore, the city selected the less costly alternative. However, Harris indicated that the modifications would only continue the maintenance for a limited period of time.

In addition, our current software, although it meets our basic needs for payroll and accounting, but does not address several other important city functions, lacks certain applications the city staff believes are very useful. An integrated software system would improve efficiency of operations. These include:

1. Employee Portal
   This would allow employees to monitor their wage and benefit information and make changes, to be approved by management, to their benefit structure such as deductions, dependents, voluntary benefits, etc. Also would allow improved communications with employees.

2. HR Administration Improvements
   It would improve and add capabilities for HR administration. This includes applicant tracking, time and attendance, benefit tracking and others.

3. Public Works Administration
   Would allow project planning accounting, work orders for tasks, requests for service tracking and other features.

4. Community Development Administration
   This would include dealing with building permits, building inspections, GIS integration, Licensing and other functions.

In the past many of these applications above were addressed through separate software. A comprehensive approach to this software which would be integrated with our financial and accounting system would be much more efficient.

As a result of the above needs city staff included an estimated $375,000 in the FY 2017 budget for the purchase and implementation of this software. We have discussed this project with our IT advisor, Winning Technologies. As part of their work with the City they will assist staff in developing an Request for Proposal (RFP) for software that will meet the diverse needs of different city departments. They will also assist in evaluation of the RFP's submitted.

I would be pleased to respond to any questions.