



**MINUTES OF THE
CITY OF FRONTENAC
WAYS AND MEANS COMMITTEE
THURSDAY, MARCH 19, 2009, 7:00 P.M.**

A. CALL TO ORDER

The March 19, 2009 meeting of the Ways and Means Committee of the City of Frontenac was called to order at 7:00 P.M.

B. ROLL CALL

The following Committee members were present:

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| ✓ Chairman Warren Winer | ✓ Mark Kiehl |
| ✓ Treasurer Ronald Tennenbaum | ✓ John O'Connell |
| ✓ Alderman Tom Hizar | ✓ Becky Brown |

Also in attendance were Finance Officer Julie O'Guinn and City Administrator Bob Shelton.

Administrative Clerk Shari Cooper noted that there was a quorum.

C. APPROVAL OF AGENDA:

Chairman Winer requested approval of the March 19, 2009 Agenda.

MOTION: Ms. Becky Brown motioned and Mr. John O'Connell seconded approval of the agenda. All voting members present voted in the affirmative. **MOTION PASSED.**

D. APPROVAL OF MINUTES:

Chairman Winer requested clarification on page 4, paragraph 2, and then requested approval of the February 10, 2009 Regular Meeting Minutes as amended.

MOTION: Alderman Tom Hizar motioned and Ms. Becky Brown seconded approval of the minutes as amended. All voting members present voted in the affirmative. **MOTION PASSED.**

E. PUBLIC FORUM (PRESENTATION OF REMARKS AND/OR PETITIONS):

No comments were made at this time.

F. COMMENTS BY COMMITTEE MEMBERS:

No comments were made at this time.

G. CHAIRMAN'S COMMENTS:

No comments were made at this time.

H. REVIEW OF FINANCIAL REPORTS:

FEBRUARY, 2009:

Ms. O'Guinn reported on the variance report for February financials. She stated that revenues were below budget for the month. She also stated that alarm fees are coming in later than normal and building permits applications and revenues had dropped below budget for the month. Overall the General Fund and Capital Fund were reporting a net revenues of \$30,000 to exceed expenses.

Chairman Winer requested a more focused way to go through the monthly financials. He requested placing all the results on one sheet showing the overall report. Alderman Hizar also requested having one summary report with variances. Chairman Winer suggested getting a few members together to look at the format and how to change it around. Alderman Hizar volunteered to help with the project and requested to add Alderman Keith Krieg into the meetings.

Mr. Kiehl asked if the healthcare expense was favorable for the month or just timing. Ms. O'Guinn stated that the premium for March had been paid early in the month but there had been employee plan changes through the year that showed up in the expense.

Chairman Winer commented that overall the City looks to be in good standing for the month with revenues above budget. Mr. Shelton stated that the City will be using some of the excess capital funding in the budget but will be under budget by year end in the capital fund.

I. OLD BUSINESS:

✦ *Sales Tax Reports*

Ms. O'Guinn stated that the sales taxpayers had a couple of extra days to pay sales tax so the sales tax receipts will be spread over two months.

Mr. Kiehl stated that we should be looking at February and March combined. Mr. Shelton pointed out that the budgeted amount for the quarter cent sales tax was \$26,126 and the actual was only off by \$1.00. Ms. O'Guinn commented that with all sales tax combined the City is down by 15% year to date.

Alderman Hizar asked if we check the County numbers. Mr. Shelton stated that the City gets a report of what the stores report for the month and compares them to the previous year's reporting. Ms. Brown asked if we ever received a corrected report from the County.

Mr. Shelton stated no, St. Louis County has never sent any updated/corrected reports that he is aware of.

❖ *Municipal Complex*

Mr. Shelton commented that a request to Piper Jaffrey was made regarding double A interest rates and they came back with a 4.6% interest rate based on today. He expressed that when we are given the ok to go ahead with the municipal complex that we will look at the rates very carefully. Chairman Winer added that the municipal complex was on hold until the City is more comfortable with the economy.

❖ *Incode Software Update*

Ms. O'Guinn stated that committee members and auditors will be meeting to have a teleconference with Incode specialists and this meeting was set for April 2nd. The members and auditors are trying to come together to see what each module can offer as far as security measures. Mr. Kiehl added that the teleconference with Incode will provide key control areas for the City and the auditors will assemble their thoughts and costs for the project.

The committee will receive a summary of the teleconference at the meeting next month.

❖ *Budget Revenue Projections*

Ms. O'Guinn acknowledged that the 2009-2010 revenue projection is being compared to the 2008-2009 budgeted funds. She stated that the reduction in revenues have been down by 15%. Also the cable franchise fees are down.

Mr. Shelton stated that the Village of Westwood signed an agreement with the City of Frontenac to supply Police services. This would allow an additional \$56,000 without hiring any additional staff. Additional alarm fees will also be applied for, which will be \$75.00 per residence. Conway Road will also be a part of the Frontenac Police patrol so the City will collect some traffic violations.

Ms. O'Guinn stated that prior to the highway closure last year; the City had been having a very good year with sales tax. Mr. Shelton added that even though the economy has hit them there are stores that are still opening. He also reported that store sales are still down even with traffic on the highway. We continue to see Highway 40 and Clayton Road with reduced traffic. We believe that the 100% opening of the highway will be the biggest impact back to the City.

Chairman Winer said that we are still in favorable standing as an organization with huge reserves. Mr. Kiehl added that the budgeting process should be completed within the next couple of months.

J. NEW BUSINESS:

✦ *2009-2010 Budget - Expense Projections*

Ms. O'Guinn stated that she had moved the statement around to include supplemental and Capital Improvement Funds. Mr. Kiehl acknowledged that within the report they are seeing a combined view and showing only subtotals.

Mr. Shelton explained what the expense side was showing and looking at base expenses under salary increase, including healthcare costs and some pay step increases and not any cost of living increases.

Mr. Kiehl asked what was driving the Parks and Stormwater fund expenses so high. Ms. O'Guinn responded that we are receiving a grant from MSD that will offset those expenses by more than \$200,000.

✦ *Salary Survey*

Ms. O'Guinn handed out a survey report of our peer cities and their salary increases that were budgeted for 2009. Ms. O'Guinn stated that the area cities were given anywhere between 1 – 5% increase in salary for 2009. Mr. Shelton added that for the last two years the City has only given a 2% cost of living increase to employees and stated that 2009-2010 was going to be the year that employees were given a 4% increase to catch up with the peer cities based on the 20-year plan.

✦ *Investments*

Ms. O'Guinn stated that the City had rolled over a \$4 million CD from Reliance Bank to Commerce Bank. Commerce gave the City 1.04% for a 6 month CD and is not receiving any TARP money from the Federal government. Ms. O'Guinn added that we wanted to have the City's funds with a secure bank.

Mr. Kiehl stated that Pulaski Bank was the only other one to look at which they managed to not see a whole lot of yields. Ms. O'Guinn added that Pulaski was another bank that accepted TARP money. Chairman Winer suggested that when times are ready we would suggest going a little longer than 6 months on our CDs, but right now the City is not in a standing to do that.

K. SCHEDULE DATES FOR NEXT MEETINGS:

Tuesday, April 14, 2009, 7:00 PM

L. ADJOURNMENT

Chairman Winer requested approval for adjournment of the March 19, 2009 meeting.

MOTION: Mr. John O'Connell motioned and Mr. Mark Kiehl seconded that the meeting be adjourned. All voting members present voted in the affirmative. **MOTION PASSED.**

Meeting adjourned 8:50 P.M.