



**MINUTES OF THE
CITY OF FRONTENAC
WAYS AND MEANS COMMITTEE
TUESDAY, NOVEMBER 13, 2007, 7:00 P.M.**



A. CALL TO ORDER

The November 13, 2007 meeting of the Ways and Means Committee of the City of Frontenac was called to order at 7:04 P.M.

B. ROLL CALL

The following Committee members were present:

Mark Kiehl, Presiding Chairman
Ronald Tennenbaum, Treasurer
Becky Brown
Alderman Keith Krieg
Jane Rubin

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

Administrative Clerk Shari Cooper noted that there was a quorum.

C. APPROVAL OF AGENDA:

Mr. Kiehl requested approval tonight's revised agenda.

MOTION: Alderman Krieg motioned and Ms. Rubin seconded approval of the revised agenda. All voting members present voted in the affirmative. **MOTION PASSED.**

D. APPROVAL OF MINUTES:

Mr. Kiehl requested approval of the October 9, 2007 Regular Meeting Minutes.

MOTION: Alderman Krieg motioned and Ms. Rubin seconded approval of the agenda. All voting members present voted in the affirmative. **MOTION PASSED.**

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

No comments made.

F. COMMENTS BY COMMITTEE MEMBERS:

No comments made.

G. CHAIRMAN'S COMMENTS:

No comments made.

H. REVIEW OF FINANCIAL REPORTS:

October, 2007:

Ms. O'Guinn reviewed the financial report for October, 2007. She indicated that revenues were significantly less than budget, but favorable compared to last year at this time and added that she would review the way the budget was allocated over the 12-month period. She also reported that the Parks and Stormwater expenses were less than anticipated due to a personnel vacancy that has yet to be filled. The other variations were due to timing of purchases made early in the budget year and an unexpected expense for storm-related clean up that was billed in spring of 2007 but not paid until this budget year.

Accrued Interest – Currently, the interest income line items on financial statements does not include accrued interest, even though the monthly budget includes accrued interest. The committee requested that future financial statements include accrued interest as a line item comment in the revenue portion of financial reports.

Ms. Rubin asked about the Public Works expense items for professional services. Mr. Shelton advised that Public Works has been completing a lot of work getting ready for the I-64 shutdown.

When reviewing the October financial statements, the Committee noted that actual sales tax related revenue line items in total are higher than prior year by approximately \$100,000 and lagging budget by approximately \$167,000. Knowing that actual sales tax revenues have consistently lagged budget so far this fiscal year and given that 25% of the fiscal year has transpired, Mr. Kiehl requested the Finance Officer to review 2007/2008 Budget assumptions relative to the 4 months of actual results. The purpose of this review would be to 1.) evaluate whether YTD budget shortfall is a timing/mix issue that will largely correct itself or conversely whether the shortfall is permanent and corresponding changes be made to planned spending levels for the remainder of the year, and 2.) given the level of revenues received four months YTD, evaluate whether any changes are necessary to I-64 post closure related budget assumptions.

Acknowledging that I-64 closure will occur in less than 8 weeks and the need for the W&M Committee to deliver an updated report in early spring 2008 to the Board of Aldermen regarding the financial feasibility of building a new municipal complex, Mr. Kiehl suggested that this is an opportune time for the group (W&M Committee, Finance Officer, City Administrator) to begin reviewing the "5-Year General Fund Plan" that Chairman Winer presented on behalf of W&M to the Board of Aldermen at their May 2007 meeting. Mr. Kiehl requested that a copy of Chairman Winer's presentation be sent to W&M Committee

members to ensure that all are reviewing the same document in preparation for issuing an updated report in the coming months.

September, 2007:

Ms. O'Guinn stated that expenditures are listed by department and real estate taxes that are due by December 31 will start affecting the revenue account toward the latter part of the year. She also added that the overall cash basis (versus accrual accounting) will affect the appearance of the accounts, again causing a YTD variance due to timing.

Ms. Brown stated that the court fines are looking very favorable in September.

Mr. Kiehl requested approval of October's Financial Report.

MOTION: Ms. Rubin motioned and Alderman Krieg seconded approval of the October Financial Report. All voting members present voted in the affirmative. **MOTION PASSED.**

Mr. Kiehl requested approval of September's Financial Report.

MOTION: Alderman Krieg motioned and Ms. Brown seconded approval of the September Financial Report. All voting members present voted in the affirmative. **MOTION PASSED.**

I. OLD BUSINESS:

❖ *Cell Phone Tax Payment:*

Mr. Shelton said that the final judgment against Verizon will be in December. When that occurs we should be receiving a payment of around \$52,000 from Verizon only.

❖ *Sales Tax Fluctuation*

Mr. Shelton stated that Ms. Is in the process of receiving the correct calculations on how St. Louis County calculates the sales tax payment. Ms. O'Guinn commented that the City currently receives an ACH payment direct to the bank accounts which is matched by a mailed notice.

❖ *Mo DOR Sales Tax Records:*

Ms. O'Guinn remarked that the sales tax report has been received and will be reviewed for accuracy.

Mr. Kiehl requested to keep this as an agenda item.

❖ *I-64 Impacts:*

Mr. Shelton said that there really wasn't any new information regarding the I-64 shutdown and that the City was just getting ready for it.

❖ *Management Report to the Board of Aldermen:*

Ms. O'Guinn reported that there will be a new report to the Board of Aldermen that will include annual, current and year-to-date information. This report will be shown to members before it is given to the Board of Aldermen. Mr. Krieg stated that the Board wanted something more user friendly and they would like to try this for the first month.

❖ *Accounting Software:*

Ms. O'Guinn provided the members with a list of the software she is reviewing and asked the members to advise if they had question or comment. She advised that the subcommittee had requested some different approaches to the software review including evaluation of the costs to integrate all desired functions as potential future additions to the financial software purchase.

Ms. O'Guinn stated that the Fire and Police Departments are happy with the programs that they currently use. The City Clerk is interested in having business licensing and permitting included at some point. Mr. Shelton stated that the Finance Department primarily would like to integrate all departments to access the same information. Ms. O'Guinn added that the availability of a court module will be considered in case a future change to another type of court software would be desirable. The timeline for the committee is a demonstration in December and a proposal to the committee in January with implementation July 1, 2008.

❖ *Audit Action Plan:*

Ms. O'Guinn gave the Committee members a spreadsheet listing the audit comments and their resolution. She remarked that the City is limited with the number of employees available to separate functions, but that the Administrator is assisting by opening bank statements, reviewing payroll records and will approve journal entries.

J. NEW BUSINESS:

Ms. O'Guinn reported that City and Village gave lien notices to residents of West End Park for overdue assessments. Mr. Shelton stated that it wasn't a significant amount of money. He also stated that this was their last chance from City and Village to pay.

K. SCHEDULE DATES FOR NEXT MEETINGS:

Tentatively Tuesday, December 11, 2007, 7:00PM

L. ADJOURNMENT

MOTION: Alderman Krieg motioned and Ms. Brown seconded that the meeting be adjourned. All voting members present voted in the affirmative. **MOTION PASSED.**

Meeting adjourned 8:29 P.M.