



**MINUTES OF THE
CITY OF FRONTENAC
WAYS AND MEANS COMMITTEE**



A. CALL TO ORDER

The January 13, 2009 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:

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

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 January 13, 2009 Agenda.

MOTION: Mr. Mark Kiehl motioned and Ms. Jane Rubin seconded approval of the agenda. All voting members present voted in the affirmative. **MOTION PASSED.**

D. APPROVAL OF MINUTES:

Chairman Winer requested approval of the December 9, 2008 Regular Meeting Minutes.

MOTION: Mr. Mark Kiehl motioned and Ms. Jane Rubin seconded approval of the minutes. All voting members present voted in the affirmative. **MOTION PASSED.**

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

None at this time.

F. COMMENTS BY COMMITTEE MEMBERS:

None at this time.

G. CHAIRMAN'S COMMENTS:

None at this time.

H. REVIEW OF FINANCIAL REPORTS:

December, 2008:

Ms. O'Guinn stated the Incode payroll interface had not been fully set up and additional journal entries were needed for the payroll tax expense. She also stated that some of the longer reports were not printing all line items. She stated that both items would be corrected shortly. She stated that combined General Fund and Capital Improvement revenues showed a 3.5% revenue decline compared to budget, and revenues as a whole were nearly even compared to the same month last year.

Ms. Rubin stated that net income seemed to be positive, but inquired if this were the effect of combining the two funds. Ms. O'Guinn said that the capital expense budget for large items is consolidated in the same report and if not expended could improve net income, but that the city department heads were working to keep expenses down and would also be reflected in the reports. Ms. Rubin commented that even the swing from last year to this year shows that the budget, with expenses low, is doing well.

Chairman Winer stated that the City is looking at an unusual economic time and if expenses don't stay under the revenues then the City will be over budget and the committee needs to continually pay attention to the financials on a monthly basis.

I. OLD BUSINESS:

❖ I-64 / Economic Impacts – Sales Tax / DOR Records

Ms. O'Guinn stated that the sales tax for November were down by 25% and down 5.88% compared to last year's totals. She commented that they are hoping to see December sales higher from the I-64 opening. Mr. Shelton stated that compared to what the City budgeted, sales tax revenues are 30% lower than expected. Alderman John Levis asked why the budget showed so much of a difference. Chairman Winer stated that compared to last year and real numbers we are looking good. Mr. Shelton stated that we are starting an employee incentive program to help save money through-out the City departments. Alderman Hizar commented that the program may provide savings for the next two to three and a half years.

Ms. O'Guinn stated that the workers compensation in the Public Works Department is 25% higher and commented that health care costs were still a little high. Mr. Kiehl asked at what point in the calendar year does the City start requests for bids on health insurance. Mr. Shelton stated that we start looking around May or June along with the budgeting. Mr.

Shelton also stated that we were hopeful to start with SLAIT on July 1, 2009 but we will be looking at all scenarios.

❖ *Accounting Software Implementation*

Ms. O'Guinn commented that the training of employees on the software is almost complete. She also stated that we are continuing to have to revise report set up with Incode, but that we are getting closer to having all reports complete.

Mr. Kiehl asked if the Department Heads are able to enter and approve their own purchases. Ms. O'Guinn answered that it depended on the department. Mr. Shelton continued by stating that in certain departments there are not enough staff and department heads must enter the bills. Mr. Kiehl commented that with the new release of the software it shows that the one who enters the purchase is not able to approve.

Chairman Winer stated that Ms. O'Guinn still has to check each purchase one last time before it is approved and it would be a very rare event that we would hold those to obtain a second approval.

Ms. O'Guinn stated that our computer consultant with Acumen would be able to check on the activity logs and system rights. Mr. Kiehl expressed that we needed to look at the control and come up with an approach involving the auditor's review. Ms. O'Guinn stated that the auditors were out during the implementation to check on the audit controls for administration controls and rights. Ms. Rubin stated that we could have the auditors check all functions and approval levels and report to the committee. Chairman Winer further noted that we could have the auditor give a report to the committee after approving regular and random checks on the system. Mr. Kiehl stated that he would like to meet with the auditors and would like to have them complete a report by April to present to the committee regarding the controls of our system.

❖ *Municipal Complex*

Mr. Shelton stated that with Alderman Wynne's help they are looking at an economic stimulus request to help build our complex. Alderman Hizar asked if we would fill out the applications ourselves. Mr. Shelton commented that we have engaged the help of federal elected officials. He added that we are applying through St. Louis County and the St. Louis County Municipal League. He also stated that the economic stimulus proposal is looking for projects that are ready to put a shovel in the ground and that the applications are very basic at this time.

❖ *Underwriter Selection*

Mr. Shelton stated that Piper Jaffray was selected by the Board of Alderman. Piper Jaffray stated that when the Ways & Means Committee is comfortable they will put the bond documents including the official statement together and then go out for a rating.

Chairman Winer asked what the next step would be for our committee. Alderman Levis stated that specifically the Board wanted to wait to go ahead until the Ways & Means Committee looked at the economy steadies then advise the Board to look into the municipal complex stability.

Mr. Kiehl stated that based on our last meeting that getting the rating would be about \$7,000 and we should go out and get the rating now. Mr. Shelton added that in order to get the rating we must have an official statement from Bond Council. Alderman Wynne commented that the Board was not going to commit on the building as of yet until steps were discussed with Ways & Means.

Alderman Hizar asked if we can ask Piper Jaffray what they think we need to get approval. Alderman Levis stated that we have selected an underwriter but the Board of Aldermen did not approve to spend \$15,000 for Bond Council. Alderman Levis asked what Piper Jaffray can inform us on to obtain. Chairman Winer stated that without obtaining Bond Council and paying for a rating we would have to go with what we know from Piper Jaffray which is that we would have a AA rating.

Chairman Winer expressed that between now and February our committee needs to look at the projections and give best assessments and have an interim meeting to determine what is reasonable economic indicator to proceed.

Alderman Levis stated that short of the December numbers that the trend of the City isn't very good and short of a turn in these sales tax numbers we are looking at end of year budget numbers. Chairman Winer responded that the end of year numbers aren't what give us a projection but the committee looks at the previous year's numbers to give the Board of Aldermen a projection for what they need.

Alderman Wynne stated that the building project is on an indefinite hold and we need to see sales tax revenue trends to get a more secure position to proceed.

J. NEW BUSINESS:

✦ Budget Adjustments

Chairman Winer requested approval of the budget adjustments.

MOTION: Mr. Mark Kiehl motioned and Mr. John O'Connell seconded the approval of the budget adjustment. All voting members present voted in the affirmative. **MOTION PASSED.**

✦ 2009-2010 Budget

Ms. O'Guinn stated that they are now forming the new schedule to begin on the budget for 2009-2010. The department head meeting is set for the 28th and from there we will schedule meetings to review budgets for individual departments

Mr. Kiehl inquired about budget planning and if we need to list what we need to see in advance before the meeting. Chairman Winer responded that he didn't feel that was necessary.

K. SCHEDULE DATES FOR NEXT MEETINGS:

Monday, November 17, 2008, 7:00 PM

L. ADJOURNMENT

Chairman Winer requested approval for adjournment of the January 13, 2009 meeting.

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

Meeting adjourned 8:37 P.M.