



**MINUTES OF THE  
CITY OF FRONTENAC  
WAYS AND MEANS COMMITTEE  
TUESDAY, SEPTEMBER 14, 2010**

**A. CALL TO ORDER**

The September 14, 2010 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:

- |                         |                  |
|-------------------------|------------------|
| ✓ Chairman Warren Winer | ✓ Jim Kienker    |
| ✓ Joanne Johnson        | ✓ John O'Connell |
| ✓ Mark Kiehl            |                  |

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

Shari Cooper, Administrative Clerk, noted that there was a quorum.

**C. APPROVAL OF AGENDA**

Chairman Warren Winer requested approval of the September 14, 2010 Agenda.

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

**D. APPROVAL OF MINUTES**

Chairman Warren Winer requested approval of the June 8, 2010 Regular Meeting Minutes. Mr. Mark Kiehl asked for a correction to the minutes.

**MOTION:** Mr. John O'Connell motioned and Mr. Jim Kienker 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.

## **F. COMMENTS BY COMMITTEE MEMBERS**

No comments were made.

## **G. CHAIRMAN'S COMMENTS**

Chairman Winer requested to move Mr. Mark Graves up on tonight's agenda.

## **H. NEW BUSINESS:**

✦ Auditor Internal Control Proposal:

Mr. Mark Graves gave an explanation of the types of controls testing done as part of the regular audit scope and indicated that it is common practice for them to review job descriptions and financial procedures to analyze and report on any internal control concerns. Mr. Shelton stated the city is reviewing job descriptions to analyze any jobs that deal with handling city funds. The committee and auditor discussed the bond account processes and it was noted that procedures have been modified and that overall court procedures are in the process of being formalized by the new court administrator and administration.

Mr. Graves stated that his firm could do additional transactional analysis but suggested the city could save money employing their staff to do the same review work. Discussion followed and it was agreed that city staff would handle additional review work and report back to the audit firm who will oversee the process.

It was noted by staff that some records are being stored offsite during construction, but will be available when they are moved to the new building in the spring.

Mr. Kiehl addressed the issue electronic bank-oriented transactions and the need to review internal control processes for those devices as well.

Committee members agreed and requested this topic be kept on the agenda until the end of the fiscal year when the review of internal processes and transactions, including outstanding bonds, will be complete.

## **I. REVIEW OF FINANCIAL REPORTS**

✦ August, 2010:

Ms. O'Guinn stated year to date revenues are up 5% compared to budget and down 2% compared to last year. Expenses are down for the month and year to date. The ambulance revenue numbers are delayed due to the delay in receiving the City's medicare number which is a long process. She stated that the City has performed \$90,000 worth of billed services to date and that funds have been received that will be reported in next month's financials. Mr. Shelton stated that a majority of the retroactive bills should be collected.

Ms. O'Guinn stated that the building permits were up last month compared to budget and up 36% from last year. She discussed other revenue items mentioned on the report indicating they are under review. Mr. Shelton stated that he met with the Plaza and most stores are faring slightly better than last year. Mr. O'Connell asked about the two out parcels of Plaza Frontenac. Mr. Shelton stated that Panera Bread will go to Planning & Zoning Commission next week and if approved they will go before the Board of Aldermen. The second parcel will be presented to the Planning & Zoning Commission within the next couple of months.

Chairman Winer noticed that the health/expense was down for the month. Ms. O'Guinn stated that the City is putting funds into holding accounts for the health reimbursement deductible. She explained that the funds stay in the account until needed and we pay into the account monthly. The total net will be reflected as monies are reimbursed. Mr. Kiehl suggested the amount be prorated with a monthly accrual.

## **J. OLD BUSINESS**

### **✦ City Facility Construction and Budget Update:**

Mr. Shelton stated the latest issue with the building was the need for a concrete moisture barrier for flooring. Reserves are currently at around \$38,000 with the remaining liability of soil issues when police and fire are demolished. He stated we are still on budget with the furniture and appliances.

### **✦ Long Term Plan:**

Mr. O'Connell stated that the City has already produced an elaborate model to forecast and breakdown the next 20 years. He would like to look for further opportunities to go forward with the plan and possibly look at some variations to show the balances such as charts and graphs.

Chairman Winer stated that the City did this study a little while back. Mr. O'Connell led a discussion about whether we have given ourselves

enough of an extra amount to fall back on and whether we need to be at 50% reserves plus two years debt service on the building.

✦ Plan for Compensation Review:

Chairman Winer suggested looking at what was previously presented. Mr. Shelton stated he would look into other performance pay plans from surrounding municipalities.

**K. SCHEDULE DATES FOR NEXT MEETINGS**

Tuesday, October 12, 2010 - 7:00 PM

**L. ADJOURNMENT**

Chairman Winer requested approval for adjournment of the September 14, 2010 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.