

CITY OF FRONTENAC



MINUTES OF THE WAYS AND MEANS COMMITTEE REGULAR MEETING FRONTENAC CITY HALL AUGUST 31, 2021

A. CALL TO ORDER

The August 31, 2021 regular meeting of the Ways and Means Committee of the City of Frontenac was called to order at 3:06 p.m. The meeting took place via video and teleconference.

B. ROLL CALL

Chairperson Tim Sant
Tom Mug
Ken Marx

John Kennedy
Warren Winer
Aldersperson Dan Millman

Ms. Ross stated there was a quorum.

Mayor Hatfield was in attendance along with Ms. Katie Dixon.

Also in attendance were City Administrator, Jaysen Christensen; Finance Officer, Lea Ann Bennett; and City Clerk, Leesa Ross.

C. VOTE TO APPROVE AGENDA

Chairperson Sant asked for a motion to approve the August 31, 2021 agenda.

MOTION: Mr. Winer made a motion and Mr. Marx seconded approval of the agenda. All members present voted yes. **MOTION PASSED.**

D. VOTE TO APPROVE MINUTES

Chairperson Sant asked for a motion to approve the set of minutes for July 20, 2021.

MOTION: Mr. Kennedy made a motion and Mr. Marx seconded approval of the July 20, 2021 meeting minutes. All members present voted yes. **MOTION PASSED.**

E. PUBLIC FORUM

There were no comments by the public at this time.

F. CITY ADMINISTRATOR REPORT

Mr. Christensen gave a report that the City received ARPA funds of \$357,000, and he hopes to receive the remaining balance next year, for a total of \$715,000. He stated he hopes to provide information of loss revenue, which would cover the city's costs, to receive the additional funds.

Mr. Christensen stated 801 Local is scheduled for an opening in November in the new Stifel building, and the other half of the space will be leased to a law firm. There will be revenue generated from a PILOT (payment in lieu of taxes) for this space. Mr. Christensen stated there is a developer interested in the Panera site for a high-end restaurant. He was also told by management that Plaza Frontenac is doing well. Mr. Christensen stated a new development is planned for the former B'nai El Synagogue site. He said they have received Westwood's approval of an eleven-home site, which will be on property in Westwood and Frontenac. The proposal may go to the city's Planning & Zoning Commission soon. There was an update on the Geyer Road project, with construction of Phase 1, scheduled to begin in the summer of 2022 and for Phases 2 and 3 to begin in 2024. Mr. Christensen stated the City hired a new building commissioner, Jared Reid.

G. COMMENTS BY COMMITTEE MEMBERS

No comments from the committee members.

H. CHAIRPERSON'S COMMENTS

Chairperson Sant congratulated everyone involved in the passage of Prop A. He said the city was successful getting the property tax approved.

I. REVIEW OF FINANCIAL REPORTS

- **July 2021**

Ms. Bennett stated she is unable to provide financial statements, due to the financial software Incode. She hopes to have a budget adjustment soon.

Ms. Bennett also discussed the unrestricted cash which is a bit more than \$5,000,000.

J. OLD BUSINESS:

Sales Tax Trends

Ms. Bennett stated sales taxes are doing better than anticipated. On the sales tax comparison sheet, she said they are trending in the right direction, the last two months are trending 12.3% (May) and 9% (April) over the numbers of 2019.

K. NEW BUSINESS:

Committee Meeting Format and Scheduling

Mr. Sant stated there were modifications to the agenda, with the explanation of why items were removed from old business. Mr. Sant stated he would prefer to focus on the things the city has control over. Additional discussion occurred on what the committee needs to see, as well as long-term planning, and the purchase of large capital expenditures. Mayor Hatfield stated the city has a strategic plan and she feels the Ways & Means Committee needs to review and weigh in on the plan.

Mr. Sant stated the committee can be more flexible not having a meeting each month, especially months when the Board of Alderpersons do not meet.

Salary Comparisons for Market Adjustments

Mr. Christensen gave a background on salaries and what has happened over the last couple of years. He discussed the city's review of employee salaries. He also stated employees have received no cost of living adjustment in the past two years, only salary step adjustments. The aim from Prop A was to provide competitive employee salaries. There was discussion of what cities to use in the salary survey. The cities selected are Town & County, Ladue Des Peres, Brentwood, Kirkwood and Creve Coeur. There is an exception to some positions, as he stated they will only use cities with population less than 10,000 people.

The information for going to the 60th percentile and 90th percentile was shown. He said some employees are slated to get a significant range, but some employees will get no increases. He feels there should be discussion with employees to get their input, to see if we are all on the same page. He also suggested while this review is taking place, the city should give a cost of living adjustment for all employees, which will be 4%.

Mr. Kennedy said he supports the 4% range, and suggested they move forward with a salary survey. Mayor Hatfield said she feels correcting the pay is the priority and fine-tuning the pay to adjust to the 60th or 90th percentiles, will help with retaining employees. Mr. Mug stated he agrees with this decision. Mr. Sant asked when the revenues from Prop A will begin

to flow in. Ms. Bennett stated November and December of this year. The 4% COLA is estimated to cost \$169,000.

Mr. Sant said the approach makes sense. What has COLA been in the past. Mr. Christensen stated in the past, the city has given consistently a 2% increase each year. Mr. Sant asked for explanation of how the COLA goes along with step increases. Mr. Christensen explained how that works. He said a COLA is applied to all actual salaries. If in a step program, you get the steps and a COLA. If out of your steps, you only receive the COLA. Mr. Sant asked what other cities are doing as far as the COLA increases. Mr. Christensen stated some cities give a 3% increase, others give a 1.5%, but he feels a 2% increase is in the ballpark.

Aldersperson Millman stated he would like to see scenarios “x” or “y” i.e., a 4% increase will cost “x”, moving everyone to 60th percentile will cost “y”. Mayor Hatfield stated she would like to see a scenario “z” showing moving everyone to the 90th percentile. She said there is not a large difference between the 60th and 90th percentiles and feels the 90th percentile is the stronger position to be in. The estimated cost to go to the 60th percentile now is \$269,452 and will be \$144,519 after a 4% COLA is given. The estimated cost to go to the 90th percentile now would be \$504,516, after a 4% COLA is given, it will be \$361,369.

Additional discussion occurred.

MOTION: Mr. Kennedy made a motion and Mr. Mug seconded to recommend to the Board of Alderspersons that all city staff members receive a 4% COLA (cost of living adjustment) and to give Mr. Christensen instructions to continue with the salary survey adjustments for all positions, with recommendations for both the 60th percentile and 90th percentile. No effective date was given on the COLA, as it will be left up to the Board of Alderspersons to decide on a date. All commission members present voted “Aye”. The vote was unanimous.

Budget Adjustments for 2021-2022

Mr. Christensen stated he spoke to department heads about capital purchases, and he said there is no need for a budget adjustment at this time. The department heads are fine with waiting until the next budget process for items. If there is a need for an emergency purchase, there are mechanisms in place to make those purchases.

L. SCHEDULE DATES FOR NEXT MEETINGS:

Next meeting, Tuesday, September 21, 3:00 p.m. Ms. Bennett is unsure if she will be able to have the financial statement completed, if not, the meeting may be rescheduled or postponed. The following meeting will be set on Tuesday, October 19, 2021, 3:00 p.m.

M. ADJOURNMENT

MOTION: Mr. Mug made a motion and Mr. Marx seconded to adjourn the meeting. All Committee members voted "Aye".

The meeting adjourned at 4:08 p.m.

Attachments to the minutes:

Sales Tax Report
Unrestricted Cash Sheet
Rolling 12-Month Sales Tax Report
Sales Tax Comparisons