

CITY OF FRONTENAC



MINUTES OF THE WAYS AND MEANS COMMITTEE CITY OF FRONTENAC MUNICIPAL COMPLEX MONDAY, NOVEMBER 20, 2023, 3:00 P.M.

A. CALL TO ORDER

The November 20, 2023 meeting of the Ways and Means Committee of the City of Frontenac was called to order at 3:00 p.m.

Chairperson Sant called the meeting to order.

B. ROLL CALL

Tim Sant	Warren Winer (video, left the meeting @4:00 pm)
Tom Mug (video)	Ken Marx
Katie Dixon (video)	John Kennedy (joined meeting @4:15 pm)
Aldersperson Dan Millman	

Mayor Kate Hatfield and Aldersperson Kilker were present. Ms. Arneson was absent.

Ms. Ross stated a quorum was present.

Also in attendance was Finance Officer, Lea Ann Bennett; City Administrator, Scott Schaefer; City Clerk, Leesa Ross, Union Shop Steward Ryan Wilson, and other members of the fire and police departments.

C. VOTE TO APPROVE AGENDA

Chairperson Sant requested a motion to approve the agenda.

Aldersperson Millman made a motion and Mr. Marx made a second to the motion, to approve the November 20, 2023, meeting agenda. All voting members present voted in the affirmative. **MOTION PASSED.**

D. APPROVE MINUTES

Chairperson Sant asked for a motion to approve the October 18, 2023 meeting minutes. Mayor Hatfield advised of a typo, which Ms. Ross stated she would correct.

MOTION: Mr. Marx made a motion and Ms. Dixon made a second to the motion for approval of the October 18, 2023 meeting minutes, as amended. All voting members present voted in the affirmative. **MOTION PASSED.**

E. CITY ADMINISTRATOR REPORT

Mr. Schaefer stated he would like the committee to set a date and time for their meetings. The commission discussed the option of the 3rd Wednesday at 3:00 p.m. or 4:00 p.m. The committee elected to have all meetings on the 3rd Wednesday at 4:00 p.m.

Mr. Schaefer stated the city is currently providing digital packets for all committees. He stated currently the Ways & Means Committee is receiving hard copies which have to be delivered by the public works or police departments. He asked is the committee good with receiving electronic packets. Everyone was good with it. Alderperson Millman and Mr. Sant asked that if there were any 11x17 sheets, please have copies available at the meetings.

F. PUBLIC FORUM

Frontenac Union Shop Steward Ryan Wilson spoke on the issue of the city possibly eliminating COLA increases, and he advised that he has a concern about that. He stated it was his understand from Mr. Christensen that these would not go away. Mayor Hatfield stated she was unaware of that agreement and discussed the compensation policy which was passed in January and stated all salaries will be reviewed. She said she would prefer not to issue a COLA, and the board may decide to give increases to people who are below their pay scales; people who are still in their steps will get their step increases; and the city may decide to give an increase to other employees. Additional discuss occurred. Mr. Wilson stated he believes other cities give both step increases and COLAs to their employees. Alderperson Millman wanted to get clarification that the increases did move the scales up per position. The answer was yes. Alderperson Millman stated the Board of Alderpersons are in full support of the fire department. Mayor Hatfield discussed a possible lump sum increase for employees. There was some talk of a retention incentive based on seniority that will be paid during the holiday period. There was discussion that wages would be given on employee's anniversary dates, and not all at once. Mr. Wilson stated he preferred them all at once, and not on employee's anniversary date. Alderperson Millman asked Mr. Wilson what the expectation was. Mr. Wilson stated step increases and a COLA.

Mr. Sant and Alderman Millman thanked Mr. Wilson for coming. Mr. Sant stated the city sets pay increases each year, and that COLA is not a made up number, and stated counterparts receive increases on July 1. Mr. Russell Cummings of Jaccard Lane stated the residents were told at something and they should stick to it, regarding the Prop A. He also asked was the city's money being invested. Mr. Schaefer and Ms. Bennett stated yes. Ms. Bennett explained our money is invested in MOSIP and we are currently earning 5.68% on a 6-month term. Mr. Sant stated they went through the process with CBIZ and he does not want to see raises fall below the 60% threshold. Mr. Cummings stated the employees need to be educated on the policy and receive communications. Mr. Schaefer stated last year, Mr. Christensen sent out a thorough email to all employees of the process, and it was well explained. Mr. Loveless

asked if the employees can receive the CBIZ data. Mayor Hatfield stated she has some information, but the raw data was not provided to the city.

G. COMMENTS BY COMMITTEE MEMBERS

No comments by committee members at this time.

H. CHAIR'S COMMENTS

Mr. Sant made no comments.

I. REVIEW OF FINANCIAL REPORTS

Ms. Bennett stated year to date revenue is up \$171,000 or 7.3%, and that the vast majority is due to interest income of \$119,000. She stated the use tax is up 33% year to date and is 50% over last years numbers. She said sales taxes are up 3%, and that expenses are under budget by 1.3%. She said she is having difficulty obtaining the Frontenac Grove PILOT payment.

Mr. Sant stated he noticed that cable franchise fees are down. Ms. Bennett stated that is a timing issue. Mr. Schaefer stated these will lower over time, eventually to 3%. Ms. Bennett stated the police and fire contracts are due to timing. Ms. Bennett stated there was a market increase on phone taxes, and there will be a reduction in video fees. There was additional discussion on use taxes.

J. OLD BUSINESS

✦ Unrestricted Cash

Ms. Bennett provided a report stating unrestricted cash is \$9,001,987.01.

✦ Sales Tax Trends

Ms. Bennett stated she just received the reports today, and she has no information at this time.

✦ Investment Update

Ms. Bennett stated \$11,125,000 is currently invested and will mature in February.

Mr. Winer left the meeting at 4:15 p.m.

✿ **Audit Update**

Ms. Bennett stated the auditors are waiting on the pension foot note from LAGERS. The auditors will be coming to the Monday, December 18 meeting. Mayor Hatfield stated she would like to invite the Board of Alderpersons to the Ways & Means Committee meeting, so that the report can only be given at one time.

K. NEW BUSINESS

✿ **Compensation Discussion**

Mr. Schaefer stated the Board of Alderpersons held a work session on Tuesday, November 14. Alderperson Millman stated there is still confusion and disagreement on what is going on. He said other municipalities are moving the goal posts, and he said he is not sure the Ways & Means Committee can gibe the Board of Alderpersons a recommendation. Alderperson Kilker stated he would like to know what was committed and wants to know how employees are compensated at the 60-70% level.

Mr. Mug left the meeting at 4:30 p.m.

Mayor Hatfield said the city has six months to see what they are doing and plans to look at wages in June, for an effective date in July 2024.

Mr. Sant stated he feels this is a lack of transparency and that things have changed dramatically as to how things have been done in the past. He said he and Alderperson Millman were in the meetings last year, and they spent a lot of time, to allow Frontenac employees to be paid above average. He stated they should do what has been done in the past and give an annual adjustment. He also stated a midyear increase of 3% was approved in the FY2023-2024 budget. Mr. Sant asked if anyone communicated the standard operating procedures would go away with this process.

Alderperson Millman stated he would like to know what should go back to the Board, as we don't want to fall behind right out the gate. Alderperson Kilker stated, as an employee, the expectation is a COLA raise, and he said 3% is reasonable.

Mr. Sant stated he wanted to explain his position that he is okay with an annual CPI increase to all employees, and he said he would like everyone to look at the big picture.

Mr. Cummings stated if employees are at the 90th percentile, the city should not want them to go down to the 60-70th percentiles. He said someone will have an annual reduction in order to live, each year. He said we don't want people to afford less, and said in the private sector, employees are given at least a 2% increase to keep up with inflation.

Mayor Hatfield stated the policy states, employees will be set at no less than 60-70% of the market. She stated people not in steps will get a lump sum payment, more likely a 2% - 4% increase. Alderperson Millman stated the employees in steps who are getting a 5% increase, should they also receive a 3% cost of living increase.

Mr. Sant stated inflation is 4-5% in the country. He said he keeps hearing everyone is looking great compared to comparison cities. He said what the board needs to do is look at the policy, which was passed last year.

Alderperson Millman stated its policy versus practicality. Additional discussion on lump sum payoffs, which are not included in the LAGERS retirement was brought up. There was also discussion about the retention incentives versus pay raises. Alderperson Millman stated they are two separate issues and the retention incentive is a separate issue.

Mr. Kennedy asked who is responsible for initiating a salary review. Mr. Schaefer stated he is, and he will send a report to the Ways & Means Committee and the Board of Alderpersons. Mr. Schaefer stated he was given instructions on how and what data to gather and look at, and report back to the Board of Alderpersons.

Mr. Schaefer stated the City of Creve Coeur is giving a 3% COLA to non-police employees, and a 3.5% COLA to police employees. He stated Town & Country is giving a 3.5% COLA to police employees, and there was nothing yet determined for none police employees.

Holiday Incentive Pay

Mr. Schaefer stated in the past the city has given a \$100 holiday incentive to all employees. The board discussed to replace this with a more generous scale for the employees. The city has budgeted \$5,300 but the proposal to have a scale which will begin at \$100 for employees here one year or less and could go up to \$2,000 for employees with over 40 years of service. Mayor Hatfield stated this is due to the city having a great year, and the strategic priorities have been met. She stated she wanted to thank the employees.

MOTION: Mr. Kennedy made a motion and Mr. Marx made a second to the motion to consider paying each employee, \$50 for each year of service, and for the city to explore and quantify the costs. All commission members voted in the affirmative.

MOTION PASSES.

Mr. Schaefer asked for clarity in what information he was to gather from the contiguous cities and Brentwood. He was instructed to survey the peer communities to under what adjustments have been applied in the last 12 months.

L. SCHEDULED DATE FOR NEXT MEETING

The next meeting will be Monday, December 18, 2023, 4:00 p.m.

M. ADJOURNMENT

MOTION: Alderperson Millman made a motion and Mr. Marx made a second to the motion to adjourn the meeting. All commission members voted in the affirmative. **MOTION PASSES.**

the meeting adjourned at 5:47 p.m.