

CITY OF FRONTENAC



MINUTES OF THE WAYS AND MEANS COMMITTEE CITY OF FRONTENAC MUNICIPAL COMPLEX WEDNESDAY, FEBRUARY 26, 2025, 4:00 P.M.

A. CALL TO ORDER

The Wednesday, February 26, 2025 meeting of the Ways and Means Committee of the City of Frontenac was called to order by Chairperson Hickey at 4:00 p.m.

B. ROLL CALL

Chairperson Michael Hickey
Tim Sant (Phone)
Katie Dixon

John Kennedy
Tom Mug (Zoom)
Aldersperson Dan Millman

Mr. Marx and Ms. Arneson were absent.

Also, in attendance, Aldersperson Kilker; Finance Officer, Lea Ann Bennett; and Interim City Administrator/City Clerk, Leesa Ross. Mayor Hatfield attended the meeting via Zoom.

Ms. Ross stated a quorum was present.

C. AGENDA APPROVAL

Chairperson Hickey requested a motion to approve the agenda.

MOTION: Aldersperson Millman made a motion to approve the agenda for the February 26, 2025 meeting and Mr. Kennedy made a second to the motion. All members voted in the affirmative. **MOTION PASSED**.

D. MINUTES APPROVAL

Chairman Hickey asked for a motion to approve the January 21, 2025 meeting minutes.

MOTION: Mr. Kennedy made a motion to approve the minutes of the January 21, 2025 meeting minutes and Mr. Mug made a second to the motion. All members voted in the affirmative. **MOTION PASSED**.

E. CITY ADMINISTRATOR REPORT

Ms. Ross explained that the Business District 2 regulations were approved at the February 19 meeting, along with regulations for “paid parental leave” for all employees for the birth or adoption of a child. The leave can be used within the first year of birth. Police Chief Mark Guttman will be retiring after 35 years of service with the city on March 1, and his going

away party will be on Friday, February 28. A special meeting has been set for Friday, February 28, to vote on the appointment of the new police chief. Also, the kitchen remodel was completed in the fire department, and the job was over budget by approximately \$18,000. Additional discussion regarding the parental leave and costs were brought up by Mr. Sant and discussed by Mayor Hatfield. Mr. Sant also brought up the city paying approximately \$450 for a resident's tire repair.

F. PUBLIC FORUM

No comments at this time.

G. COMMENTS BY COMMITTEE MEMBERS

No members made comments at this time.

H. CHAIRMAN HICKEY'S COMMENTS

Chairperson Hickey stated he appreciates we can have the discussions in an open forum.

I. REVIEW OF FINANCIAL REPORTS

January 2025

Ms. Bennett stated revenue is down 11.6% and 4.1% below budget. She states the majority is due to the late property taxes received by St. Louis County. In total the city has received a little over \$3 million compared to the \$3.4 million budgeted. Protested taxes are normally \$300,000 to \$400,000. There was discussion about the road and bridge taxes. Business licenses are currently down \$37,800 which is due to timing. Building permits are down \$27,200, and court revenue is down \$24,000. Both are considered to be a permanent variance. Use tax is up \$57,000. Interest income is up \$67,400, which is 23% over budget.

There was discussion about MoSIP and the rates. Other discussion about upcoming large outputs in the next six months, regarding the Geyer Road and Countryside projects.

Expenses for administration year to date and the prior year is down \$105,000 due to having no city administrator. The Board and Commissions account is up due to Ms. Ross's additional pay as interim city administrator. Legal expenses are down, and the court expense variance is immaterial. The fire department expenses are down by \$24,000, while work comp was up significantly. Personnel expenses are down \$18,000, retirement fees were down \$10,000. There are two significant upcoming retirements, Chief Guttman and Lieutenant Barnett. One was budgeted, one was not. Police expenses are down \$134,000, as the department has been down one officer for over six months. Personnel costs are up \$24,000 due to salary increases. There was a question regarding administration professional services for the hiring of MGT for the city administrator search. Ms. Bennett stated this is a fixed number.

Alderperson Millman stated the city is not ready to extend this and will know more in 30-60 days. Public Works is down \$534,000 due to the delay in the Geyer Road Project. The building department's professional services account is up \$18,000 compared to last year. Municipal buildings are up \$11,000 this month due to maintenance, on HVAC systems, bathroom repairs, and garage door repairs, and up \$70,000 for the year. Additional expenses anticipated this year total \$74,000.

J. OLD BUSINESS

SALES TAX TRENDS

Ms. Bennett stated there are sales tax reporting issues with a new vendor, who opened in December 2023. She will work on contacting them or the Department of Revenue to find the remittances. This month revenue is up 3.6%, and year to date compared to budget revenue is down 3.38%. She believes this will turn around as \$117,000, can be made up due to non-reporting.

UNRESTRICTED CASH

Ms. Bennett stated unrestricted cash currently is \$12,000,000. Currently in the PNC money market account there is \$1.88 million and \$800,000 in cash. Ms. Bennett hopes to transfer \$1,000,000 to the money market, with that balance soon being \$2.8 million.

INVESTMENT UPDATE

There was a discussion about MoSIP and the city taking advantage of the 90 day and 180 day yields at 4.33 percent. The committee decided to split the \$12,000,000 and invest \$6,000,000 in a 90 day account for 4.33 points and the other \$6,000,000 in a 120 day account at 4.33 points. Also, a recommendation to transfer \$1.5 million from the PNC money market into MoSIP 7 day yield at 4.23 percent.

CAPITAL PROJECTS UPDATE

Ms. Bennett stated Countryside and Geyer Road expenses were \$233,209 and 280,305, last month. She said weather delayed the Geyer Road project. Countryside should be complete by end of the budget year. The committee was advised of the upcoming Spoede Road Bridge project in the summer of 2026.

Katie Dixon left at 5:00 p.m.

✿ LONG-RANGE INFRASTRUCTURE PLANNING

- **Items for 2025-2026 Budget**

Ms. Bennett shared and discussed the long-range infrastructure planning sheet that SM Wilson provided after the facility assessment. She stated she would like to budget the upcoming needs in the FY25-26 budget. Several items have already been completed. Ms. Ross stated the committee should anticipate IT needs ranging around \$150,000, which include new work stations, software updates and several new servers.

K. NEW BUSINESS

✿ SALARY DISCUSSION

Ms. Bennett passed out a recommendation from CBIZ on a COLA annual increase. There was discussion of what the structure update vs salary increase was. The committee asked that the city approach CBIZ and get an updated sheet, for March 2025. The current sheet from September 2024, suggested a 3.3% COLA increase.

L. SCHEDULED DATE FOR NEXT MEETING

Chairperson Hickey stated we may have to change the March 19 date due to spring break. Chairperson Hickey proposed changing the date to Tuesday, March 25.

Tuesday, March 25, 2025, 4:00 p.m. Ms. Ross stated that is the same evening of the Planning & Zoning Commission, who normally meet at 6:00 p.m.

Ms. Bennett stated Mayor Hatfield sent out an email regarding food sales tax and the possibility of it being eliminated by the state legislature. Ms. Bennett stated the information provided said Frontenac receives \$36,000, and Ms. Bennett stated the actual amount is \$22,000.

M. ADJOURNMENT

MOTION: Mr. Kennedy made a motion to adjourn the February 26, 2025, meeting and Alderperson Millman made a second to the motion. All members voted in the affirmative.

MOTION PASSED.

The meeting adjourned at 5:19 p.m.