

CITY OF FRONTENAC



MINUTES OF THE CITY OF FRONTENAC WAYS AND MEANS COMMITTEE FRONTENAC CITY HALL TUESDAY, DECEMBER 19, 2017

A. CALL TO ORDER

The December 19, 2017 meeting of the Ways and Means Committee of the City of Frontenac was called to order at 5:35 P.M.

B. ROLL CALL

Mr. Tim Sant was sworn in as a member by City Clerk Leesa Ross.

The following Committee members were present:

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| ✓ Chairman Warren Winer | ✓ Mark Kiehl |
| ✓ Alderman Warner | ✓ John O'Connell |
| ✓ Tim Sant | ✓ Jane Rubin |

Ms. Ross noted there was a quorum.

Also in attendance were City Administrator Bob Shelton; Finance Officer Lea Ann Bennett, Alderperson David Bray, Alderperson Dan Kemper, Alderperson Nalini Mahadevan, Alderperson Tom O'Brien and City Clerk, Leesa Ross.

C. APPROVAL OF AGENDA:

Chairman Winer requested approval of the December 19, 2017 Agenda

MOTION: Mr. O'Connell motioned and Ms. 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 November 14, 2017 meeting minutes.

MOTION: Mr. Kiehl motioned and Ms. Rubin seconded approval of the minutes of the November 14, 2017 meeting. All voting members present voted in the affirmative. **MOTION PASSED.**

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

No comments were made at this time.

F. COMMENTS BY COMMITTEE MEMBERS:

No comments were made at this time.

G. CHAIRMAN'S COMMENTS:

Chairman Winer stated as most of you know Bob Shelton will be leaving the City, and this is his last meeting. He said he will be missed but he is leaving the city in great hands. He also stated we all wish him well.

H. REVIEW OF FINANCIAL REPORTS:

November, 2017:

Ms. Bennett stated the top line report shows court fines are better than expected and stated they are up 48% year to date compared to budget. The building permits revenues are also up and this is due to the Honda Frontenac expansion. Ms. Bennett said net income is better than expected and is up \$236,000 year to date. She said overall expenses are down and revenue is up. She said the November sales taxes are up; the one cent is up 16% from last year. She said this is due to extra reporting of an anchor store and a major retailer. She stated the storm water account is up \$13,000. She said due to timing, some accounts are also expected to be up next month. She said more adjustments are expected.

I. OLD BUSINESS:

Sales Tax Trends:

Ms. Bennett stated the one cent is slightly ahead and other accounts are slightly ahead of budget. She said if you look at the report, it appears sales are up, however in reality sales are down compared to last year. She said this is due to a reporting difference. Mr. Winer stated the rolling 12 report shows the whole picture and recommended a note on the financial report, showing an explanation. There was discussion by the committee of the differences in the financial reports and the rolling 12 report. There was

additional discussion regarding the trends of revenues versus the trends of expenses. It was noted that revenue growth has not kept up with expenses.

Ms. Hatfield stated most residents will support a property tax increase because of the services of the public safety employees. She stated the cost to provide services has gone up.

Ms. Rubin mentioned the memo from Mr. Shelton regarding the tax increase and stated seven of the bullet points were positive, and one was negative. Mr. Winer stated as we move forward we want to be able to explain the written material.

Mr. Shelton stated at last month's meeting Ms. Bennett included November sales tax numbers without an explanation. He is requesting to leave that off, as there is no back up documents to explain the numbers. Mr. O'Connell stated he supports Mr. Shelton's suggestion not to publish info that cannot be explained. He said they should stop giving a month of sale tax that is not on the financial report.

Mr. Sant stated total sales tax has been down 5% and in the last year it is down 3% and that is expected to continue. He stated expenditures continue to grow and need revenue to replace it. He said the city needs to get it out and explain the need for more revenue.

Alderwoman Mahadevan stated it may be a trend or not, but they must be cautious and raise the taxes, to give the city a cushion. She said expenditures and wages will go up, and she said it is something the city has to do. Mr. Winer stated they need to be clear, because when you go for a tax increase, there will persons asking why you are doing this.

J. NEW BUSINESS:

Audit Presentation

Mr. Mike Williams of Hochschild Bloom & Company presented the audit report in detail. Mr. Williams reviewed the management letter, gave a clean opinion and stated the city was in good standing. Five management suggestions were written. Ms. Bennett stated two of the five; the city is already in compliance with, and she said she is working on correcting the other three.

Property Tax Proposal Recommendation to Board

Mr. Winer stated a memo was prepared by the Ways & Means Committee to the Board of Alderperson on the property tax increase. Mr. Kiehl stated in

communications to the residents there should be bullet points about the expense rate of growth, and that revenue is not keeping up with expenses. Mr. O'Connell said they should offer the Ways & Means minutes, assist the Board of Alderpersons and develop communication material.

Mr. Winer asked for a recommendation for the Board of Alderpersons.

MOTION: Mr. O'Connell motioned and Mr. Kiehl seconded that the Ways & Means Committee officially endorse the memo and support a ballot issue, and offer to stand by the Board of Alderpersons assisting with communications going forward. All commission members present voted "Aye". **MOTION PASSED**.

Redevelopment Updates

Mr. Shelton stated there are no updates at this time.

Utility Tax Class Action Update

Mr. Shelton stated this issue is still ongoing and there is no update at this time. Mr. Kiehl stated he would like some kind of status.

K. SCHEDULE DATES FOR NEXT MEETINGS:

Tuesday, January 9, 2018 at 7:00 P.M.

L. ADJOURNMENT

Chairman Winer asked for a motion to adjourn the meeting.

MOTION: Mr. Kiehl motioned and Mr. O'Connell seconded the meeting be adjourned. All commission members presented voted "Aye". **MOTION PASSED**.

The meeting adjourned at 6:57 p.m.