

CITY OF FRONTENAC



MINUTES OF THE WAYS AND MEANS COMMITTEE REGULAR MEETING FRONTENAC CITY HALL JANUARY 18, 2022

A. CALL TO ORDER

The January 18, 2022 regular meeting of the Ways and Means Committee of the City of Frontenac was called to order at 3:02 p.m. The meeting took place via teleconference.

B. ROLL CALL

Chairperson Tim Sant
John Kennedy
Tom Mug
Alderman Dan Millman

Katie Dixon
Ken Marx
Warren Winer

Ms. Ross stated there was a quorum.

Mayor Hatfield and Emily Arneson were also in attendance.

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 January 18, 2022 agenda.

MOTION: Mr. Mug made a motion and Mr. Kennedy 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 November 16, 2021.

Mr. Mug asked about the emergency generator. Mr. Christensen stated it a replacement of the inner tank. Mr. Mug also made two grammatical changes on page 3.

Chairperson Sant asked for a motion to approve the minutes as amended.

MOTION: Mr. Kennedy made a motion and Mr. Mug seconded approval of the November 16, 2021 meeting minutes as amended. All members present voted yes. **MOTION PASSED.**

E. CITY ADMINISTRATOR REPORT

Mr. Christensen gave an update on the utility tax lawsuits. He said the Charter lawsuit was argued on November 10, and it is awaiting an appeals court decision. The AT&T lawsuit is nearing the end of discovery, and the trial is set in 2022.

The Simon Homes Development of 11 single family homes on a 5.5-acre site, former B'nai El, off N. Forty Drive will be before the Board of Alderpersons tonight.

The property at Stonington and Clayton applied for a variance which was recently denied by the Board of Adjustment. The applicant may appeal the decision to the circuit court.

Fire Chief Floyd Blake took over as chief after the retirement of Chief Marc Ulses, after 37 years. The city hired Kevin Hollaran as Asst. Chief.

On Geyer Road, the city is awaiting additional information as to which side of the road the sidewalks will be placed. An upcoming Ad Hoc meeting will take place. Discussion will include a review by Weiss Design; information on the Ameren Missouri utility poles, and information on the historic church. The city is looking for answers by early next month, and hope to move forward with the project, later this year.

Regarding the Comp plan update, there have been stakeholder meetings. Several public forums will take place later this year, with hopes of adopting a new plan later this year. The areas focused on will be the German Boulevard area and Hilton and Le Chateau properties.

F. PUBLIC FORUM

No one made comments at this time.

G. COMMENTS BY COMMITTEE MEMBERS

No comments from the committee members.

H. CHAIRPERSON'S COMMENTS

Chairperson Sant made no comments at this time.

I. AUDIT PRESENTATION

Mr. Mike Williams of Sikich LLP presented the audit report. He mentioned the city's transmittal letter, which has a lot of information. He mentioned the certificate of achievement from 2020. He discussed the financial statements of the city for fiscal year 2020-2021. He said the financial statements are presented fairly and were given a clean opinion. The assets and liabilities of the city's were discussed, along with revenue and expenses, including the pension plan, capitol assets and depreciation values. An extensive review of the audit report was given by Mr. Williams. A copy of the full report will be attached to the minutes and posted on the city's website. No instances of non-compliance were reported.

The comments and recommendations included escrows bonds for building permits older than 5 years need to be reviewed. Employee comp time greater than the amount allowed; also bank reconciliation from the court.

Three resolved issues were the fuel policy; cash receipts procedures and voided receipts, and the reconciliation of Show Me Courts receivables. Mr. Williams said no significant adjustments were reported.

Mr. Marx asked about collateral pledging. Mr. Sant requested an in-person review of LAGERS, due to the volatility of the pension plan.

J. REVIEW OF FINANCIAL REPORTS

- **December 2021**

Ms. Bennett stated the revenue is outstanding, due to an increase of real estate tax receipts, which was not budgeted. There needs to be a budget adjustment as funds have increased over 100%. Year to date the city has received \$1.7 million, and had anticipated \$477,000, \$1.3 million over budget. Other variants are sales taxes, which are also up. Expenses are close to even, up \$131,000, some due to legal services, FD overtime and worker's comp premiums. The city received \$31,000 in federal seizure funds.

K. OLD BUSINESS:

Sales Tax Trends

Ms. Bennett discussed sales tax received through January. She said it was up from last year, but slightly underbudget for the one cent and quarter cent sale taxes, The Prop P tax and use tax were up, approximately \$18,000 above budget.

Unrestricted cash has been improved by over \$1 million dollars, due to real estate receipts.

ARPA Funds

Ms. Bennett stated there was a final ruling on ARPA funds, and she said there will be some reporting needed, but the accounting will be easy. Mr. Christensen said they were in talks with Baker Tilly to assist the city, but that will not be needed. They will be engaged to help the city find federal funding that can help with capitol projects.

L. NEW BUSINESS:

Interest Rate Changes

Ms. Bennett stated there is a significant amount of funds at Simmons Bank, and that the city was receiving 25 basis points, which was knocked down to 14 points. She said she spoke with several banks, to see if the money is moved to a money market would we gain more interest. She stated she spoke to Triad Bank and they are willing to give 40 basis points. Mr. Mug stated the city should call Carrolton Bank. Mr. Sant asked does Triad have enough to cover our deposits. Ms. Bennett sated yes, they will be fully collateralized. There was additional discussion by the committee on the collateralized deposits. Mr. Kennedy also suggested Banterra Bank.

Salary Study Discussion

Mr. Christensen presented information on salaries and stated he was asked to do a salary survey and to bump salaries to the 60th percentile or higher. He presented background on what was done in the past and how salaries in certain departments, slipped over the years.

July 1, 2019 was the last salary adjustment, except for the COLA given in the fall of 2020, after the tax increase was passed. There was a discussion of what cities to use to compare with. Des Peres, Kirkwood, Ladue, Creve Coeur, Town & County and Brentwood were the cities used. Only four of the six cities have a fire departments, Creve Coeur and Town & Country do not. For the police comparisons both Kirkwood and Creve Coeur were taken out and were not used for department head positions.

Mr. Christensen presented information for both the 60th and 90th percentiles and stated to go the 60th percentile the cost will be \$275,000, and the cost to go to the 90th percentile is approximately \$631,000. The average increase to go to the 60th percentile is a 6% increase, the average to go to the 90th percentile would be a 14% increase. Some positions would be eligible for an increase, some positions would not be eligible for an increase. The real drivers are the first responders, especially the fire department employees. Pay parity is important with the police and fire department employees.

Discussion regarding the fire department and fire districts took place. Mr. Christensen stated the number of pay steps for the entry level position/firefighter paramedic was reduced from eight steps to four.

Mr. Christensen stated his recommendation would be to go to the 60th percentile, as it is consistent historically, and he said the needs to compete. Mayor Hatfield said it is important that this is done because when financial modeling was done, and the reason was given for the passage of Prop A was to bring employees to at least the 60th percentile. The primary reason was to be competitive and compensate Frontenac employees.

Mr. Christensen said some job descriptions are different, and there is a question why some positions make more, so he would like to look at some job descriptions. He feels the study is close. Mr. Marx asked what the cities total revenue increase from the passage of the real estate tax increase is. Ms. Bennett stated \$1.9 million. Alderperson Millman stated more discussion and work needs to be done. He said maybe a work shop or special meeting is needed, to build a true plan to go to the Board of Alderpersons. He said whatever is done must be defended to the residents.

Mr. Christensen said some cities hire firms, an example is Bigsby to look at salaries and job descriptions. After discussion it was suggested to bring an outside party in. Mr. Sant stated that is a great idea. Mr. Millman asked how long will this take? Mr. Christensen stated he believes they can have data back in two months. Mr. Christensen was told to look into hiring a firm and to provide info to the Ways & Means Committee.

M. SCHEDULE DATES FOR NEXT MEETINGS:

Tuesday, February 15, 2022, at 3:00 p.m.

N. ADJOURNMENT

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

The meeting adjourned at 5:10 p.m.