

CITY OF FRONTENAC



MINUTES OF THE WAYS AND MEANS COMMITTEE HELD VIA VIDEOCONFERENCE 3:00 P.M., TUESDAY, MAY 24, 2022

A. CALL TO ORDER

The May 24, 2022 meeting of the Ways and Means Committee of the City of Frontenac was called to order at 3:00 p.m. The meeting took place via videoconference.

B. ROLL CALL

Chairperson Tim Sant	Warren Winer
Aldersperson Dan Millman	Ken Marx
Katie Dixon	John Kennedy

Committee Member Tom Mug was absent.

City Administrator Jaysen Christensen stated a quorum was present.

Also in attendance was Mayor Kate Hatfield, Assistant City Treasurer, Emily Arneson, and Finance Officer, Lea Ann Bennett.

C. VOTE TO APPROVE AGENDA

Chairperson Sant asked for a motion to approve the May 24, 2022 agenda.

Mr. Kennedy motioned to approve the agenda. Mr. Marx seconded the motion. All voting members present voted in the affirmative. **MOTION PASSED.**

D. APPROVE MINUTES

Chairperson Sant asked for a motion to approve the March 15, 2022 minutes. Mr. Kennedy asked that the minutes be amended by correcting the spelling of CBIZ under the discussion of the salary study.

MOTION: Mr. Kennedy motioned and Ken Marx seconded approval of the minutes as amended. All voting members present voted in the affirmative. **MOTION PASSED.**

E. PUBLIC FORUM

None.

F. COMMENTS BY COMMITTEE MEMBERS

None.

G. CHAIR'S COMMENTS

None.

H. REVIEW OF FINANCIAL REPORTS

Ms. Bennett stated that year to date revenues are over budget by almost 50%, still due to the property tax increase and sales taxes. Expenditures are over budget by 5% with over 75% of the variance being personnel related due to the salary increase approved in October 2021. Ms. Bennett reviewed several expenditure variances in detail.

I. OLD BUSINESS

Sales Tax Trends

- Ms. Bennett reviewed the financial report. Mr. Marx asked if the increase in YTD business license fees compared to budget are primarily due to timing. Ms. Bennett stated that some of it is timing, but the increase is also due to the fact that sales are up higher than budgeted. Mr. Winer asked why Fire Department salaries were up considerably over budget. Ms. Bennett stated that the 4% COLA increase provided to all employees in October 2021, which was not budgeted, is perhaps the biggest reason for the increase. There was also some salary expenditure overlap with the new Assistant Fire Chief starting two weeks before the old Fire Chief retired.

ARPA Funds

- Ms. Bennett stated that she has submitted the City's ARPA reporting required up to this point.

Salary Survey

- Mr. Christensen provided a status update on the CBIZ compensation study process. The preliminary results have been recently provided to the City, and a meeting will be scheduled with Mr. Sant, the Mayor, Alderman Millman, Ms. Bennett, and Mr. Christensen to review the results and ask questions to CBIZ. The results will then be presented to Ways and Means.

Budget Schedule

- Revenue projections were discussed. Mr. Winer stated that with sales tax revenues looking very strong, the City may want to consider rolling back the property tax in the future. Ms. Bennett reminded the Committee that a number of expenditures are expected to increase significantly in the coming year as well, including employee compensation and delayed capital equipment purchases. Alderman Millman stated that the City should keep an eye on revenue and expenditure trends in the coming year and respond accordingly. The expenditure subcommittee will meet next.

J. NEW BUSINESS

Audit Firm Contract Extension

- Ms. Bennett recommended that the City extend its contract with Sikich for an additional three years at a cost of \$16,800 in 2022, which represents a 10% increase over 2021. Mr. Marx suggested that the City try to negotiate a lower percentage increase.

Meeting Date Change

- Mr. Christensen stated Mr. Sant, Mayor Hatfield, and he had discussed changing the regular date of the Ways and Means Committee to the Wednesday after the Board of Aldermen meeting to avoid discussing certain topics, particularly items in the City Administrator report, prior those items being discussed by the Board of Aldermen. There was a consensus among committee members to change the regular date and time of the meetings to 3:00 p.m. on the Wednesday after the Board of Aldermen meeting.

K. SCHEDULED DATE FOR NEXT MEETING

The next meeting was sched for Wednesday, June 22, 2022 at 3:00 p.m. A joint meeting with the Board of Aldermen is also planned for Wednesday, June 29, 2022 at 5:30 p.m.

L. ADJOURNMENT

MOTION: Mr. Marx motioned to adjourn the meeting. Mr. Winer seconded the motion. The motion carried unanimously. **MOTION PASSED.**

The meeting adjourned a 4:10 p.m.