



MINUTES OF THE
CITY OF FRONTENAC
WAYS AND MEANS COMMITTEE
TUESDAY, OCTOBER 12, 2010

A. CALL TO ORDER

The October 12, 2010 meeting of the Ways and Means Committee of the City of Frontenac was called to order at 7:00 P.M.

B. ROLL CALL

The following Committee members were present:

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| ✓ Chairman Warren Winer | ✓ Mark Kiehl |
| ✓ Treasurer Ronald Tennenbaum | ✓ John O'Connell |
| ✓ Alderman Tom Hizar | ✓ Jane Rubin |
| ✓ Joanne Johnson | |

Also in attendance were Finance Officer Julie O'Guinn and City Administrator Bob Shelton.

Administrative Clerk Shari Cooper noted that there was a quorum.

C. APPROVAL OF AGENDA:

Chairman Winer requested approval of the October 12, 2010 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 September 14, 2010 Regular Meeting Minutes.

MOTION: Mr. Kiehl motioned and Mr. O'Connell seconded approval of the minutes. All voting members present voted in the affirmative. **MOTION PASSED.**

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

Mr. Shelton introduced Mike Schoedel to the members. Mr. Schoedel stated that he will be sitting in for the next few meetings to become familiar with the committee and ready himself to become a member.

F. COMMENTS BY COMMITTEE MEMBERS:

No comments were made.

G. CHAIRMAN'S COMMENTS:

No comments were made.

H. REVIEW OF FINANCIAL REPORTS:

✦ September, 2010:

Ms. O'Guinn stated that the City is at a variance of 10% over/under budget. Revenues within the court were down by 10%. Mr. Shelton stated that people being on leave and sicknesses are the cause but there will be a new focus in January, 2011 with a full-time traffic officer.

Ms. O'Guinn stated that the gas utility is down by 30% and there may be a need for a budget adjustment of \$16,000 to \$23,000. Interest is less than the City had hoped and look to adjustments in July. She stated that the sweep accounts are now open with PNC refunding the full interest amount.

Ms. O'Guinn stated that Medicare numbers were issued last Thursday but will fluctuate a little. We should expect between \$12,000 and 13,000 but received around \$14,000 and are expecting another \$84,000. Mr. Kiehl asked if this was because of write-offs. Mr. Shelton stated that the only way to not pay would have to have the approval of the Chief of the Fire Department and City Administrator.

Ms. Rubin asked about any major revenue impacts. Mr. Shelton responded that Panera Bread would be a major benefit for the City revenues along with the second tenant on the other side of the Plaza. Ms. Rubin asked how long would it be for Panera Bread to open. Mr. Shelton stated around ten months or so and that it did have endorsements of both Saks and Neiman Marcus.

Mr. Kiehl asked about the court fines and stated we didn't receive much information regarding the revenue account. Mr. Shelton stated that the exact lag time on some tickets is months before they are paid depending on lawyers and trials. He stated that in April/May of 2010 tickets were

down 30-40%. Alderman Hizar reminded the committee that the goal shouldn't be on revenue but safety. Mr. Kiehl agreed with Alderman Hizar but stated that you should be able to compare an average vs. last year and we haven't received anything on paper showing those numbers. Chairman Winer requested a report each month for key statistics of court revenues. Mr. Shelton stated that the City will work toward a report to look at.

I. OLD BUSINESS:

✦ Sales Tax Trends:

Chairman Winer asked to skip due to the fact that this subject was covered in the financials.

✦ City Facility Construction and Budget Update:

Mr. Shelton stated that the facility is coming along very well. He stated that the Police and Fire Departments will be moving in this Friday. He stated that following their move the asbestos control will be started on the Police and Fire Department current buildings and then the demolition.

✦ Long Term Plan:

John O'Connell handed out a 20-year spreadsheet depiction and led a discussion about it. He indicated that at first the model will appear more complicated but that he will circle around to make it more understandable. He plans to have granulated information and also information at a higher level. He indicates that instead of having the revenue driver (revenue percent change) to the right of each column that he will have it below each category in yellow highlight. He indicates that he will attempt to break out the Capital Improvement Fund long term expense projections into the model and have the General Fund expense projection based on more than two variables. He indicated that payroll may still be the big driver, but will have more categories and more major categories.

He also advised he plans to show more years of history perhaps 4-5 years. He indicated there shouldn't be any major changes in assumptions. He stated he plans to have a working model by the next meeting and welcomes any variable inputs. He pointed out that Mr. Shelton was already working on ideas for reductions. Chairman Winer suggested a sub-committee meeting with staff prior to the next Ways and Means meeting.

✦ Review Results of Last Compensation Survey:

Mr. Shelton stated that the last compensation survey was done in the 2005/2006 fiscal year. He stated that what the City was looking towards was to average in the 70% of pay with peer cities. Chairman Winer stated that we want to be above the average and to see us better. Ms. O'Guinn stated that we need to look at both benefits and salary ranges and need to gather more information from our peer cities.

Chairman Winer stated that the end result is to make payroll decisions next time for recommendations to the Board of Aldermen and to have some guidelines on this. He requested a sub-group to work on this and requested volunteers. Ms. Rubin, Chairman Winer and Mr. Kiehl all volunteered. Chairman Winer stated that general conclusions should come around February to look at adding the budget for next year.

✦ Internal Control Review-Update:

Ms. O'Guinn stated that during last month's meeting Mark Graves gave an overview of the processes the City should be adopting with job descriptions and procedures. She stated we have completed all job descriptions and procedures within the court.

Mr. Shelton stated the bond account now has court procedures in place including cash bonds from the Police Department. Mr. Shelton stated that they are completing random testing within the fines and cost in court.

Mr. Kiehl asked about the old bond account and when we could expect that to be completely transferred and closed out. Chairman Winer asked what the game plan was to get this accomplished. Mr. Kiehl responded that currently we are trying to determine what is possible to have our system do and what the accountants ask for. We should have an outline for next month.

J. NEW BUSINESS:

✦ Performance Based Pay Plan Schedule:

Mr. Shelton stated that currently we do not have a schedule for this yet and are still trying to pull together information. He stated that some cities do a 1 ½ COLA and 1 ½ are more complicated than planned. Mr. Shelton stated that we are recommended a step increase criteria which would have baseline criteria to get to the next step. Currently we do not have any type of program in place.

Chairman Winer asked the goal of this program? Ms. O'Guinn stated that reviews didn't merit an increase they were just given. Mr. Shelton

commented that is important to have criteria to reach for an increase in salary. Mr. Shelton stated that we are looking into what peer cities have in place currently. Chairman Winer stated that we should use the same timeline for the Compensation Survey as our goal for this also.

K. SCHEDULE DATES FOR NEXT MEETINGS:

Tuesday, November 9, 2010 - 7:00 PM

L. ADJOURNMENT

Chairman Winer requested approval for adjournment of the October 12, 2010 meeting.

MOTION: Mr. John O'Connell motioned and Alderman Tom Hizar seconded that the meeting be adjourned. All voting members present voted in the affirmative. **MOTION PASSED.**

Meeting adjourned 8:13 P.M.