

CITY OF FRONTENAC



MINUTES OF THE CITY OF FRONTENAC WAYS AND MEANS COMMITTEE TUESDAY, OCTOBER 20, 2015, 5:00 P.M.

A. CALL TO ORDER

The October 20, 2015 meeting of the Ways and Means Committee of the City of Frontenac was called to order at 5:00 pm.

B. ROLL CALL

The following Committee members were present:

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|---------------------------|-----------------|
| ✓ Chairman Warren Winer | ✓ Michelle Bock |
| ✓ Alderman John O'Connell | ✓ Jane Rubin |
| ✓ John Kennedy | |

Also in attendance were Bob Shelton, City Administrator; Lea Ann Layden, Finance Officer; and Leesa Ross, City Clerk.

Ms. Ross noted that there was a quorum.

C. APPROVAL OF AGENDA:

Chairman Winer requested approval of the agenda.

MOTION: Mr. Kennedy motioned and Alderperson O'Connell 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 8, 2015 regular meeting minutes.

Ms. Rubin inquired about the ballot issues and asked what happens if they do not pass. Mr. Shelton stated they must be placed on the ballot by November 2016. If they do not pass in April 2016 the Board can put them back up for a vote by the residents in November 2016.

Ms. Rubin inquired about the city's audit report. Ms. Layden stated the audit report will be presented to the Ways & Means Committee and the Board of Alderpersons in December. She said the reason for the delay is the auditors are awaiting a report from LAGERS that they will not receive until the middle or late November. It is due to GASB68 and expanded disclosures.

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

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

No comments were made.

F. COMMENTS BY COMMITTEE MEMBERS:

No comments were made.

G. CHAIRMAN'S COMMENTS:

No comments were made.

H. REVIEW OF FINANCIAL REPORTS:

September 2015

Ms. Layden asked if they had any questions on the financial statements.

Ms. Rubin stated she was concerned that both the fire department training budget and fire department overtime budget are both significantly over budget. Ms. Layden stated the fire department training budget is due to late billing, as some training from January to June was billed in September and paid out of this year's budget. Mr. Shelton stated the fire department overtime budget is due to two employees out on extended leave. Ms. Rubin stated net income was down \$100,000 compared to last year. Ms. Layden stated a majority of it was due to timing as there were three payrolls in September, which accounted for \$150,000 and that health insurance was paid in advance, amounting to \$50,000.

Mr. Shelton stated court revenues are down. He said the city cannot set quotas. Ms. Rubin stated court revenues are down \$76,000 year to date and stated she is concerned if this trend continues for the remainder of the budget year. Mr. Shelton stated last year the court actual income was \$390,000 and that \$425,000 had been budgeted. Ms. Rubin stated for this year, court revenue could be down \$180,000 compared to budget.

Mr. Winer stated we need to look at the long term, as there are not years with surplus. He said we currently are not in the position to improve revenue positions. He said \$180,000 is a fair amount of money. He said we are in the range of loss of \$250,000. Mr. Shelton stated the revenue is lower because there are not as many citations being written. Mr. Kennedy stated if we are not generating court revenue, we should adjust the budget to reflect its impact. Alderperson O'Connell stated they should review the report on page 29.

I. OLD BUSINESS:

Redevelopment Updates

Mr. Shelton stated a moratorium is on the Board of Alderpersons agenda. He stated the Planning & Zoning Commission recommended a six month moratorium for the area of Clayton Road, Spode Road, I-64 and Lindbergh. Mr. O'Connell stated a proposal was presented to the Board of Alderpersons and rejected. The developers sued the city and stated it is not economically feasible to develop the former Ladue School District property as R-1 zoning, and the court will determine if it is economically feasible. He said the Board of Alderpersons has asked the Planning & Zoning Commission to think of the area and whether it is something to be proactive with. He said good standards are to ask the Planning & Zoning Commission to look and see should it remain R-1 or recommend something different. He said tonight the Board of Alderpersons will consider the Planning & Zoning's Commission recommendation.

Mr. Winer stated there have been other lawsuits against one acre zoning, and they have lost. He said if a six month moratorium is passed, there will be more legal fees. He said he would hate to see a six month moratorium with a big study and suggested the moratorium be for 45-days. Alderperson O'Connell stated for thoughtful consideration, the moratorium may not take six months. He stated the Board of Alderpersons can terminate the moratorium early, but to extend one, would take more work. He said the Board of Alderpersons recommended, a four month moratorium but the Planning & Zoning Commission voted on six months.

Mr. Winer asked is there anything that prevents the Ways & Means Committee from providing input. He said they should not make a decision without the financial impact to the city. Ms. Rubin suggested something be put together and show the two drafts, one of the surplus losses below zero for the next 20 years and the fund balance that is decreasing. She said boil it down to the charts. Alderperson O'Connell stated we are talking about the problems we are facing to an empty room. Mr. Winer stated I want it on the record the city is on a trend line to a serious problem.

Mr. Winer asked if we want to send a message regarding the city's economic situation. He said we need to send a message that a few don't speak for the entire city. He said we should speak from the Ways & Means Committee. The members decided to do a prospective or a statement. It will be drafted and sent out for review.

J. NEW BUSINESS:

Long Range Financial Model Update

Alderperson O'Connell presented two versions of the updated long range financial model. He had two scenarios, Model "0+", which showed zero growth and Model "1+" which showed updated growth on revenue projections. He said the only difference is, the "0+" has nothing for the Ladue Early Childhood Center, but the "1+" had projects for the Shriners

property with real estate and sales tax projections. He said there were some differences between the two, as the green lasts longer with Shriners, which buys the city more time, but they both end up going negative. Mr. Kennedy stated he liked the "1+" scenario better but understands there has not been a proposal yet for the Shiner's property. Ms. Rubin stated for the "1+" scenario, the PILOT and real estate taxes should be added for the Ladue School District property as a scenario. Alderperson O'Connell stated he would add the PILOT to the scenarios. Mr. Kennedy stated he does not see an actionable item they need to vote on tonight.

Ballot Issues on Board of Alderpersons Agenda for approval

a) Out of State Vehicle Purchases Sales Tax

Mr. Shelton stated this proposal if passed, will let us stay where we are. He said this tax currently generates approximately \$50,000 annually.

b) Use Tax

Mr. Shelton stated the use tax could generate approximately \$30,000 but that is volatile. Alderperson O'Connell stated someday the state may tax internet sales. Mr. Shelton stated the city's attorney did come up with better language for the vehicle tax so to pass each proposition, will require a "yes" vote. He stated both will be on the April 5, 2016, general municipal ballot.

2014-15 Audit Update

Ms. Layden said as previously stated the annual audit will be presented at the December meeting to both the Ways & Means Committee and the Board of Alderpersons. She said there is a delay in how LAGERS reports, which is delaying the audit report.

K. SCHEDULE DATES FOR NEXT MEETINGS:

Tuesday, November 10, 2015 at 7:00 PM

Three members stated they would be unable to attend this day. Ms. Layden stated they would send something out regarding changing the meeting date in November.

L. ADJOURNMENT

Chairman Winer requested approval for adjournment of the October 20, 2015 meeting.

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

Meeting adjourned 6:20 pm.