

CITY OF FRONTENAC



MINUTES OF THE CITY OF FRONTENAC WAYS AND MEANS COMMITTEE FRONTENAC CITY HALL MONDAY, JUNE 13, 2017

A. CALL TO ORDER

The June 13, 2017 meeting of the Ways and Means Committee of the City of Frontenac was called to order at 7:05 P.M.

B. ROLL CALL

The following Committee members were present:

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| ✓ Chairman Warren Winer | ✓ Ken Crawford |
| ✓ Alderman Warner | ✓ Mark Kiehl |
| ✓ Michelle Bock | ✓ John O'Connell |

Also in attendance were City Administrator Bob Shelton; Finance Officer Lea Ann Layden, Mayor Margot Martin, Alderman David Bray, Alderman Tom O'Brien and Administrative Clerk, Shari Cooper.

Ms. Cooper noted that there was a quorum.

C. APPROVAL OF AGENDA:

Chairman Winer requested approval of the June 13, 2017 Agenda as amended.

MOTION: Mr. Kiehl motioned and Mr. Crawford seconded approval of the agenda as amended. All voting members present voted in the affirmative.
MOTION PASSED.

D. SWEARING IN OF MEMBER:

Amy Boltzman was sworn in as City Treasurer and newest member to the Ways and Means Committee.

E. APPROVAL OF MINUTES:

Chairman Winer requested approval of the May 15, 2017 Regular Meeting Minutes as amended.

MOTION: Mr. Kiehl motioned and Alderman Warner seconded approval of the minutes as amended. All voting members present voted in the affirmative. **MOTION PASSED.**

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

No comments were made at this time.

G. COMMENTS BY COMMITTEE MEMBERS:

No comments were made at this time.

H. CHAIRMAN'S COMMENTS:

No comments were made at this time.

I. REVIEW OF FINANCIAL REPORTS:

May, 2017:

Mrs. Layden stated that with one month left things don't look so good. Revenues are down \$424,583 year to date compared to budget. For the month we were decent with revenues exceeding budget by \$38,837. Part of this is a reflection of a PILOT payment from the Grove. We are trying to keep expenses down too. Mr. Kiehl asked if Mrs. Layden was aware of any numbers that she would feel needed to change in the budget assumptions for next year. Mrs. Layden stated not at this point.

Mrs. Layden stated that there is one correction on page one (1) of the top line report. The building permits are up for the month but down for year to date. She also stated that the overtime for Fire Department within the first payroll of June we had only eight (8) hours of overtime.

J. OLD BUSINESS:

Sales Tax Trends:

Mrs. Layden reported that two of our anchor stores have not reported for this month. One of them is two months behind. Mr. Kiehl asked regarding the adjustment at the end of the year how this might impact. Mrs. Layden stated we will find out what exactly we will receive and hopefully they will catch up. And we are allowed to estimate a number for accurals. Brief discussion took

place between members regarding the prior year budget and sales tax deficit year to date. Mr. Kiehl stated it always seems that someone is one month behind. Mrs. Layden stated we can consider our anchor stores as material and estimate them.

Chairman Winer did state he sees sales tax shrinking. Alderman O'Brien commented that Neiman Marcus announced a quarterly earnings today as sales were down 5% nationwide. Mr. Crawford stated that he had read that next quarter will be even worse due to excess inventory. Alderman Warner asked about the assumptions for the budget. Mrs. Layden stated we took everything down 3%. Also, we will be doing in-depth sales tax analysis. Mr. Shelton stated that looking into our sales tax receipts and business licensing we are seeing some discrepancy so we are going to pull some reports on these to compare.

Status of Grove PILOT:

Mrs. Layden stated that as of May 30th the Grove is completely caught up to June 2016. We have received payments in April (\$25,000) and May (\$22,700). Currently they know the amount billed out and have agreed to have this paid by June 30th. Mr. Kiehl confirmed the Grove will be caught up through the end of the calendar year.

Mr. Kiehl asked about the Telephone Utility Tax. Mr. Shelton stated that as of now there are no current updates. Mr. Kiehl requested this to be kept as a continued topic of discussion in Old Business.

K. NEW BUSINESS:

New Revenue Sources Discussion / Next Steps:

Chairman Winer stated that it is pretty obvious we are facing a meaningful problem with significant issues dealing with revenue sources long term. He stated that communication to the residents needs to be pretty quick if we are thinking of proposing a tax increase. He would recommend something to the residents that show the recommendations of the Ways & Means through the Board of Aldermen.

Mrs. Layden reviewed the property tax rate increases first. Mr. Shelton stated that the totals include personal property tax as well as commercial increases. Personal property doesn't make that big of a difference unless looking at real estate. Mrs. Layden also reviewed surrounding cities tax rates. Chairman Winer stated that he sees even if we doubled our total tax rate we are still below average. Mr. Kiehl stated that we first need to identify the size of the gap.

Mr. Kiehl suggested the following steps to list and discuss regarding the City's financial challenges.

- Identify and discuss various actions that could be taken by the City to address the financial challenges, knowing that most likely a combination of actions would need to be pursued.
- Request to the Mayor/BOA respond to W&M identifying the process and actions they want to pursue as well as a general timeline for the overall process.
- Request Mayor/BOA communicate to W&M what role/involvement in the process they want from W&M (planning and execution).

Mr. Kiehl stated that we need well documented records so we might reflect on next steps for the City. Chairman Winer recommended a subcommittee to do these options. The subcommittee should include Board of Aldermen members along with Ways & Means Committee members.

Redevelopment Updates

Mr. Shelton stated Desco is coming back in front of the Planning & Zoning Commission on June 27th to address a combination of issues from the residents. They should be prepared to vote to forward the issue to the Board of Aldermen.

L. SCHEDULE DATES FOR NEXT MEETINGS:

Tuesday, July 11th at 7:00 P.M.

M. ADJOURNMENT

Chairman Winer requested approval for adjournment of the June 13, 2017 meeting.

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

Meeting adjourned at 8:20 P.M.