MINUTES OF THE

**WAYS AND MEANS COMMITTEE**

**FRONTENAC CITY HALL**

## TUESDAY, AUGUST 20, 2019

1. **CALL TO ORDER**

The August 20, 2019 meeting of the Ways and Means Committee of the City of Frontenac was called to order at 5:06 p.m.

1. **ROLL CALL**

The following Committee members were present:

Chairperson Margaret Sherwood Tim Sant

Jane Rubin Alderperson Dan Millman

Warren Winer

Ms. Ross stated there was a quorum.

Also in attendance were City Administrator Jaysen Christensen, Finance Officer Lea Ann Bennett, and City Clerk Leesa Ross.

1. **APPROVAL OF AGENDA:**

Chairperson Sherwood asked for a motion to approve the August 20, 2019 agenda.

**MOTION:** Ms. Rubin motioned and Alderperson Millman seconded approval of the agenda. All voting members present voted in the affirmative. **MOTION PASSED.**

1. **APPROVAL OF MINUTES:**

Chairperson Sherwood asked for a motion to approve the July 16, 2019 minutes.

There was discussion by the committee members regarding how the minutes are presented and posting the minutes on the website.

**MOTION:** Mr. Winer motioned, and Ms. Rubin seconded approval of the July 16, 2019 minutes. All voting members present voted in the affirmative. **MOTION PASSED.**

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

No comments were made at this time.

1. **COMMENTS BY COMMITTEE MEMBERS:**

No comments were made.

1. **CHAIRPERSON’S COMMENTS:**

Chairperson Sherwood stated the website postings of the minutes and budgets were up to date. She also stated she and Ms. Bennett are reviewing the work comp premium increase. Chairperson Sherwood also stated she will review the City’s sales tax interruption policy. As the new policy is not available yet, Ms. Ross will e-mail all Committee members the prior policy with the new policy to follow when the City receives it.

1. **REVIEW OF FINANCIAL REPORTS:**

There was no overview of the financial report. A few committee members asked questions pertaining to the annual budget and how revenues were divided. Mr. Winer stated he had some concerns due to the decrease in revenue due to sales taxes. Additional discussion occurred regarding the taxes and fees for LifeTime Fitness memberships and services.

1. **OLD BUSINESS:**

**Sales Tax Trends**

Ms. Bennett stated there were no significant changes this month.

**Utility Tax Lawsuit Updates**

Mr. Christensen stated he spoke to Attorney John Mulligan who reported the trial with Charter began this week, with an ending date expected later this week. He said he was told the trial with AT&T will begin in 2020.

**Sales Tax & Utility Audit**

Ms. Bennett stated at the last meeting a representative from AZAVAR came and presented information about providing a utility tax and sales tax audit. Ms. Bennett stated she will write a letter with advise from the City Attorney to the State of Missouri stating that she will conduct a sales tax review for the City. Ms. Bennett discussed AZAVAR with some other cities in St. Louis County and found eight others that are interested. AZAVAR stated if 9 cities signed up, their rate would drop from 42% to 37%. Ms. Rubin suggested the city consider only contracting for a utility tax audit. Additional discussion occurred, and the Committee put this issue on its September agenda for further discussion.

**Library Lawsuit**

Mr. Christensen stated he had no update and stated the city has spent approximately $9,000 through July 31, with a budget of $60,000. The next hearing on this is September 9.

**Multi-Year Plan**

Alderperson Millman stated he had nothing to report at this time. This item will be on the Committee’s September agenda.

1. **NEW BUSINESS:**

**Fund Balance Policy Review**

Chairperson Sherwood stated she would like to conduct a review of the Fund Balance Policy and stated she was surprised that the City’s threshold was only 50%. Ms. Bennett stated the 50% was on the high side compared to other, similar cities and to the GFOA recommendation at the time it was established. The Committee asked Mr. Christensen and Ms. Bennett to find the survey of other cities they previously had done regarding their revenue sources and fund balance polices. Ms. Bennett will distribute this information to the Committee.

**Sales Tax Interruption Insurance**

Ms. Bennett stated the City has a sales tax interruption policy that will cover for taxes for a catastrophic disaster at Plaza Frontenac, the Frontenac Hilton, Honda of Frontenac, Le Chateau, and Old Frontenac Square. In the FY18-19 budget the cost for the policy was $11,775. Due to a change in underwriter, the City got a one-month extension followed by an 11-month policy, so that the total premium for FY19-20 increased to $24,000. The Board of Alderperson had approved $14,000. The additional $10,000 will have to be approved by the Board of Alderperson or the City will need to cancel the policy. There is financial penalty for cancelling the policy. She See the Chairperson’s comments above regarding reviewing this policy.

1. **SCHEDULE DATES FOR NEXT MEETINGS:**

Tuesday, September 17, 2019, 5:00 p.m., Upstairs Training Room

1. **ADJOURNMENT**

Chairperson Sherwood asked for a motion to adjourn the meeting.

**MOTION**: Alderperson Millman motioned and Ms. Rubin seconded the meeting be adjourned. All commission members presented voted “Aye.” **MOTION PASSED**.

The meeting adjourned at 6:09 p.m.