

CITY OF FRONTENAC



MINUTES OF THE WAYS AND MEANS COMMITTEE REGULAR MEETING FRONTENAC CITY HALL OCTOBER 20, 2020

A. CALL TO ORDER

The October 20, 2020 regular meeting of the Ways and Means Committee of the City of Frontenac was called to order at 3:03 p.m. The meeting took place via teleconference.

B. ROLL CALL

Chairperson Margaret Sherwood	Warren Winer
Tim Sant	Tom Mug
Bob Lenzen	Aldersperson Dan Millman
Ex-Officio Emily Arneson, Assistant. Treasurer	

Mr. Ken Marx was absent.

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.

Mayor Kate Hatfield was also in attendance.

C. VOTE TO APPROVE AGENDA

Chairperson Sherwood asked for a motion to approve the October 20, 2020 agenda.

MOTION: Mr. Mug motioned and Mr. Lenzen seconded approval of the agenda. All voting members present voted yes. **MOTION PASSED.**

D. VOTE TO APPROVE MEETING MINUTES

The September 15, 2020 meeting minutes will be approved in November.

Mr. Mug stated there needed to be a correction on page 2, second bullet point, that "lease hold" should be one word.

MOTION: Aldersperson Millman motioned and Mr. Mug seconded approval of the September 28, 2020 meeting minutes as amended. All members presented voted yes. **MOTION PASSED.**

E. PUBLIC FORUM

There were no comments by the public at this time.

F. COMMENTS BY COMMITTEE MEMBERS

There were no comments made at this time.

G. CHAIRPERSON'S COMMENTS

Chairperson Sherwood said the City's Comprehensive Annual Financial Report (CAFR) for the year ending June 30, 2019, qualified for a Certificate of Achievement for Excellence and Finance Reporting from the Government Finance Officers Association. Everyone thanked Ms. Bennett, who received the GFOA's Award for Financial Reporting Achievement for her work on the City's 2019 CAFR.

H. REVIEW OF FINANCIAL REPORTS

- **July 2020**

Ms. Bennett stated revenues are down 9% from budget. Sales tax revenue for September and October are running 18% and 19% above budget. Expenses are running 1% under budget.

I. OLD BUSINESS:

Sales Tax Trends

Ms. Bennett stated the City's sales taxes received in October are 19% over budget., and were also over from what was received in the same month for FY19-20. The August "apples to apples" variances for FY20-21 are down 18% from last year. She said it appears sales taxes are higher than expected this year.

Bond Refinance Discussion

Ms. Bennett stated the Board of Alderpersons will be voting tonight on the bond refinancing the bonds. The fixed rate will be 1.36%. The refinance also includes money for the ambulance purchase. The refinance is scheduled to close on October 26. The fees will be \$21,000 to Stifel Nicolaus, \$27,500 to in bond counsel fees to Gilmore Bell, and issuance fees of \$54,000, for a total cost to the City for all fees of \$102,500. Mr. Christensen stated that Ms. Bennett contacted former Ways and Means Committee member, Michelle Bock, to review Stifel's fees, and that Ms. Bock stated that they appeared reasonable.

Sales Tax & Utility Tax Audit

Ms. Bennett stated there is no update at this time.

Sales Tax Interruption Coverage

Mr. Christensen stated there is nothing new to report. This issue will be revisited by the Board of Alderpersons in November or December.

Utility Tax Lawsuit Updates

Mr. Christensen said on the Charter case, the judge ruled in favor of the Class cities for \$20,000,000; post-trial motions will be held with retired Judge Jamison coming back to hear the motion. The AT&T case is still in discovery and is expected to go to trial in 2022.

Development Updates

Mr. Christensen stated Uncle Julio's now is looking at a January opening. Brookfield has rearranged management, and the St. Louis area was consolidated. Mr. Freeburg and the Plaza Frontenac team have left, and Plaza Frontenac now will be managed by the team at the St. Louis Galleria. Mr. Christensen and Mayor Hatfield will meet next week with the new property manager, Tammy Ivey.

Mr. Christensen stated Restoration Hardware will be moving into the Mitchell+Gold location, and they signed a five-year lease. The location will be more of a design studio. The City is still waiting on the building permit for 801 Grill.

Mr. Sluys, City Attorney, reached out to him and stated DESCOS has reached out to him to renegotiate the PILOT agreement due to the pandemic.

COVID-19 Updates

Mr. Christensen stated the County allocated \$239,000 for CARES Act funding, for reimbursement due to the pandemic, for first responders. The first application was submitted for 50%, and the second part of the application will be completed by next week.

Fire Department Salaries

Mr. Christensen had nothing to report at this time. The City is in the middle of a hiring process for a firefighter/paramedic, however there are some challenges. The City is looking into hiring a paramedic and paying the person to go through the Fire Academy while working a 40-hour shift.

Worker's Comp Update

Chairperson Sherwood stated she has no update at this time.

Multi-Year Plan

Aldersperson Millman stated he had no update to report on the multi-year plan. The next step is to begin modeling the "out" years and attempt to predict the City's finances going forward. Ms. Sherwood suggested having a workshop meeting for this discussion with the Committee.

J. NEW BUSINESS

Audit Update

Ms. Bennett stated the auditors were here and the audit it was completed mostly remotely. There are no adjustments, but they will have some management comments. She is working on the CAFR schedules and statistics. A draft will be presented at the November meeting.

Property Tax

Ms. Bennett stated the City passed the property tax rates last month. The commercial rate went down, the residential rate stayed the same, and the personal property rate went up. She said the numbers were verified by the County Assessor. She said the property tax rate increase that has been discussed is still needed.

Mid-Year Budget Review

Ms. Bennett stated the Committee had decided to review the FY 2020-21 budget in the second quarter to see if anything needed to be adjusted based on updated information. Ms. Bennet mentioned the Holiday Bonus Incentive for employees that was cut and the possibility of reevaluating this expenditure, which would be \$5,300. There was additional discussion regarding the receipt of CARES Act funding and the possibility of some purchases that were cut this year being reinstated.

Mayor Hatfield asked that the Committee look at City of Town & Country's report that included worst case and best-case scenarios as one approach for the mid-year budget review.

Mayor Hatfield asked if SLAIT's large workers' compensation negative fund balance will be passed on to the cities. Chairperson Sherwood stated that the SLAIT Administrator had pointed out that the health fund had a huge surplus and that it was likely SLAIT would refund part of the health fund balance at the same time as requesting funds to cover the negative workers' compensation fund balance. She noted that the City could come out ahead on this.

Mr. Christensen stated that there was no mention of any of this at SLAIT's recent annual meeting.

K. SCHEDULE DATES FOR NEXT MEETINGS:

Next Regular Scheduled Ways & Means Committee Meeting, Tuesday, November 17, 2020, 3:00 p.m.

L. ADJOURNMENT

MOTION: Mr. Lenzen made a motion and Mr. Mug seconded to adjourn the meeting. All Committee members voted "Aye".

The meeting adjourned at 3:48 p.m.