

# CITY OF FRONTENAC



## MINUTES OF THE CITY OF FRONTENAC WAYS AND MEANS COMMITTEE FRONTENAC CITY HALL WEDNESDAY, SEPTEMBER 11, 2018

### A. CALL TO ORDER

The September 11, 2018 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:

- |                           |                |
|---------------------------|----------------|
| ✓ Chairman John O'Connell | ✓ Mark Kiehl   |
| ✓ Alderman Bray           | ✓ Jane Rubin   |
| ✓ Michelle Bock           | ✓ Warren Winer |

Ms. Cooper noted there was a quorum.

Also in attendance were Mayor Margot Martin, Alderman Tom O'Brien, City Administrator Jaysen Christensen, Finance Officer Lea Ann Bennett, and Administrative Assistant Shari Cooper.

### C. APPROVAL OF AGENDA:

Chairman O'Connell requested approval of the September 11, 2018 Agenda.

Chairman O'Connell asked for a motion to approve the agenda.

**MOTION:** Mr. Winer motioned and Mrs. Bock seconded approval of the agenda. All voting members present voted in the affirmative. **MOTION PASSED.**

### D. APPROVAL OF MINUTES:

Chairman O'Connell requested approval of the August 20, 2018 Minutes.

Chairman O'Connell asked for a motion to approve the minutes.

**MOTION:** Mr. Kiehl motioned and Alderman Bray seconded approval of the August 20, 2018 minutes. All voting members present voted in the affirmative. **MOTION PASSED.**

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

No comments were made at this time.

**F. COMMENTS BY COMMITTEE MEMBERS:**

No comments were made at this time.

**G. CHAIRMAN'S COMMENTS:**

No comments were made at this time.

**H. REVIEW OF FINANCIAL REPORTS:**

August 2018:

Ms. Bennett requested if there were any questions that needed to be addressed. She stated that a lot of the items will be accrued into the previous year. Chairman O'Connell questioned the building permit revenues year to date and if they were timing issues. Ms. Bennett stated the pilot payment will be accrued in last year's budget.

Chairman O'Connell questioned the interest income and if this will be accrued as of last year. Ms. Bennett stated that interest income is real and applied right now. Chairman O'Connell stated that departments admin is performing well compared to budget. Liability insurance is the principal source of this improvement. Ms. Bennett stated that the interest came in at 4 or 5%, along with workman's compensation insurance.

Alderman Bray asked if we have a service contract on the water heaters that were just installed. Mr. Christensen stated he will look into that. Mr. Christensen stated that Johnson Controls has the contract on our HVAC and they should have an option for the water heaters.

Mr. Kiehl stated that the committee used to receive a schedule on the numbers of citations per month. It was helpful to see, the drop in revenue would be in line with the number of citations given in previous months. Mr. Christensen stated that he will also look into this and will see how this can be given. It was stated that the citation data and court revenue projections are only a small piece of the City's overall budget revenue projections but still important in making the City's overall budget forecast as accurate as possible. It was further stated that the Committee is understanding of the Senate Bill 5 court legislation and therefore wished to be clear that the data would in no way be used to attempt to influence how the Police Department issues citations.

## **I. OLD BUSINESS:**

### **Sales Tax Trends**

Chairman O'Connell stated that we are looking nice at this stage. Ms. Bennett stated the state file was received only yesterday and yet to get the information from it that the committee requests. Mr. Winer stated that we need to look at variations and continue to get meaningful short falls in sales tax. Chairman O'Connell stated that historically we have seen the ups and downs and trying to smooth these out.

Chairman O'Connell asked Ms. Bennett how she determined the budget numbers. Ms. Bennett stated looking at the apples to apples sales comparison would be surprised if lowered. Yet she can't say right now.

Mr. Christensen stated that speaking with Dave Freeburg of Plaza Frontenac following its change in ownership, everything appears to be business as usual and that Mr. Freeburg stated that the Plaza was about 90% full. The Mayor stated that Bissingers is opening up a kiosk café down below on the first floor.

### **Salary Survey Updates**

Mr. Christensen stated that the only thing different is the added cost of pay parody of the fire and police departments. He stated that the \$113,000 is keeping pay parody compared to \$89,000 if we were to abandon it. Mr. Christensen stated that most cities do not maintain pay parody between police and fire. We are in the minority of that. He stated that it would be about \$24,000 less if we let go of pay parody. Mr. Kiehl asked with all the changes, the total increase this year would be \$180,000. Mr. Christensen agreed with that amount.

Mr. Christensen stated that the last offer on the table with the fire union was the Fire Captain's receive 3.5% and Lieutenants were getting 2.5% more and the rest of the fire department 2% across the board like the rest of the City. Mr. Kiehl asked what the primary benefits to keep pay parody with the City. Mr. Christensen stated the number one reason is the culture of the City values the service of police officers equal to that of fire fighters. If we were to lose this we could possibly see more turn over in the police department.

Mrs. Bock asked what examples of other cities that have pay parody are. Mr. Christensen stated that Maplewood, Des Peres and a couple of others. Mr. Christensen stated that he did speak with each crew regarding the City potentially moving forward with a salary increase either before or after the potential April 2019 property tax ballot issue and they stated they generally preferred waiting until after the election to raise salaries.

Discussion took place with members on when to make the recommendation.

### **Lawsuit Updates**

Mr. Christensen stated that the state case is done and over with. The federal case is still in court.

### **Utility Tax Lawsuit Updates**

Mr. Kiehl questioned who was handling the telecommunications utility tax litigation, what Frontenac's issues or concerns regarding it are, and what the cost structure is. He would really like more information regarding this. Mr. Christensen stated that every city has seen a downward trend in telecommunication utility tax revenues. Mr. Kiehl asked if the lawsuit has been filed and if so what the claims they are asking.

Mr. Christensen stated he would look into the case summary on this. Chairman O'Connell requested that the committee hear from Mr. Mulligan who is representing the cities and if possible the suit claim documentation ahead of the meeting.

Mr. Winer stated he feels the Board of Aldermen should be looking into this issue. He doesn't feel this is a Ways and Means Committee issue. Alderman Bray asked for this to be a talking point at the next Board of Alderman meeting.

## **J. NEW BUSINESS:**

### **Internal Controls Review**

Chairman O'Connell asked if there were any changes. Ms. Bennett stated that she will be speaking with the audit firm tomorrow. Mr. Kiehl asked if we had received the audit survey yet. Mr. Christensen stated yes it has been received. Mr. Christensen stated it isn't ready for presentation to the Ways and Means Committee yet.

## **K. SCHEDULE DATES FOR NEXT MEETINGS:**

Monday, October 15, 2018 at 7:00 p.m.

## **L. ADJOURNMENT**

Chairman O'Connell asked for a motion to adjourn the meeting.

**MOTION**: Mr. Kiehl motioned and Mrs. Bock seconded the meeting be adjourned. All commission members present voted "Aye". **MOTION PASSED**.

The meeting adjourned at 8:27 p.m.