

CITY OF FRONTENAC



MINUTES OF THE CITY OF FRONTENAC WAYS AND MEANS COMMITTEE FRONTENAC CITY HALL WEDNESDAY, OCTOBER 15, 2018

A. CALL TO ORDER

The October 15, 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:

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|---------------------------|----------------|
| ✓ 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 Alderman Tom O'Brien, Alderman Dan Kemper, 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 October 15, 2018 Agenda.

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

MOTION: Alderman Bray motioned and Mrs. Rubin 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 September 11, 2018 Minutes as amended.

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

MOTION: Mr. Kiehl motioned and Alderman Bray seconded approval of the September 11, 2018 minutes as amended. 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:

Alderman Bray asked if we had found if the City has a water service heater contract. Mr. Christensen said we do not, due to having the water softener.

G. CHAIRMAN'S COMMENTS:

No comments were made at this time.

H. REVIEW OF FINANCIAL REPORTS:

September 2018:

Ms. Bennett requested if there were any questions that needed to be addressed. Mr. Kiehl asked if the PILOT revenue variance was due to timing. Ms. Bennett stated that one was accrued to last year but the other was deferred because it was not received within 60 (sixty) days of year end. The \$43,000 was deferred on the 2017/2018 financials.

Ms. Bennett stated that we were at 1.5% with our money market account interest rate, but moving another \$250,000 today will take us up to 2.05%. They are expecting another increase in December.

Mr. Kiehl asked what the variance in police department salary is. Ms. Bennett stated that it's due to Chief Becker's retirement. Mr. Kiehl, inquiring about the workman's comp variance, asked if we had received a different experience rating. Ms. Bennett stated that it didn't go up nearly as much as we thought it would and after our payroll was audited we received a refund.

Mrs. Rubin asked, in regards to the police department over budget and over in prior years, will this continue due to the chief's retirement and his replacement. Mrs. Bennett stated that she would guess that payout was a onetime payment and we will see some savings due to the new chief's salary being lower and the new assistant chief's salary also. Some of this will even out, as we did budget a full year at the retired chief's salary.

I. OLD BUSINESS:

Sales Tax Trends

Ms. Bennett stated the City didn't get our money on time. They had a problem reconciling with the State, so we just got our monies this past Friday. Unfortunately we will not receive the reports for awhile.

Chairman O'Connell stated that the rolling twelve was nice to see, that August was a terrible month, yet September was a strong month. Discussion was held on receiving the reports and looking at the funds timing placement.

Salary Survey Updates

Mr. Christensen stated that the number, going to the 60th percentile, is still \$113,000 with Police and Fire parity compared to \$89,000 if we were to abandon it. Mr. Christensen stated he started looking into Des Peres Public Safety Department and overtime and if that saves any money. He stated they did a comprehensive study a few years ago on Police and Fire overtime throughout the region to determine if their model was really saving money. The cost of overtime is about 4% of total salaries in the Des Peres Public Safety Department. In comparison, the cost of overtime in Frontenac is about 3.45% of combined Police and Fire salaries.

Mr. Christensen stated no further updates as far as numbers.

Lawsuit Updates

Mr. Christensen stated that the state case has been dismissed. The federal case had an appeal deadline of August 21, 2018, which was not filed. Chairman O'Connell asked if there were any upcoming dates that would recall the case. Mr. Christensen stated that he would ask our attorney if there was anything but as of now there were not.

Utility Tax Lawsuit Updates

Mr. Christensen stated that John Mulligan, who is representing Frontenac and other cities, is available to speak to the Ways & Means Committee at the next meeting of November 13, 2018. He stated that Mr. Kiehl had put together a list of questions for Mr. Mulligan to study by then and if he couldn't have those done by that date to let us know. As of yet he has not responded to the questions.

The enforcement action was filed November 29, 2017 in the Circuit County Court. Maryland Heights and Webster Groves are the lead cities in the 30 (thirty) plus city group. Currently they are in settlement discussions with AT&T.

J. NEW BUSINESS:

Internal Controls Review

Ms. Bennett stated there are no updates as of yet. Chairman O'Connell stated that the status as of right now is still one firm that we are expecting a presentation from. Ms. Bennett stated that we budgeted \$10,000.00 and just trying to get the most for the amount we are paying and won't get too detailed of any part of this for that amount.

Fiscal Outlook

Chairman O'Connell stated that we need final general ledger numbers for 2018 to update the model. Ms. Bennett stated that we still have to go through review with the auditors but she believes they are good. Discussion regarding this was held.

Property Tax Update

Ms. Bennett stated the sheets provided are showing if we go up to 8%, we are still not quite 1/3 of the property tax increase. Mr. Kiehl asked if this utility tax applies to telephone and water. Ms. Bennett stated that yes it does yet not a drastic showing in numbers.

Discussion regarding this was held.

K. SCHEDULE DATES FOR NEXT MEETINGS:

Tuesday, November 13, 2018

Executive Session at 6:00 pm

Regular Meeting at 7:00 pm

L. ADJOURNMENT

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

MOTION: Alderman Bray motioned and Mrs. Rubin seconded the meeting be adjourned. All committee members presented voted "Aye". **MOTION PASSED**.

The meeting adjourned at 7:56 p.m.