

CITY OF FRONTENAC



MINUTES OF THE WAYS AND MEANS COMMITTEE FRONTENAC CITY HALL TUESDAY, NOVEMBER 19, 2019

A. CALL TO ORDER

The November 19, 2019 meeting of the Ways and Means Committee of the City of Frontenac was called to order at 5:00 p.m.

B. ROLL CALL

Acting Chairperson Dan Millman
Jane Rubin

Warren Winer
Bob Lenzen

Chairman Sherwood, Mr. Sant, Mr. Stergios, and Ms. Arneson were absent.

Ms. Ross stated there was a quorum.

Also in attendance were Mayor Kate Hatfield; City Administrator Jaysen Christensen; Finance Officer Lea Ann Bennett; and City Clerk Leesa Ross.

C. APPROVAL OF AGENDA:

Acting Chairperson Millman asked for a motion to approve the November 19, 2019 agenda.

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

D. APPROVAL OF MINUTES:

Acting Chairperson Millman asked for a motion to approve the October 15, 2019 minutes.

MOTION: Ms. Rubin motioned and Mr. Winer seconded approval of the October 15, 2019 minutes. All voting members present voted in the affirmative. **MOTION PASSED.**

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

Mayor Hatfield started it was announced yesterday that County Executive Sam Page replaced four of the five library board trustees. She stated she would be sending a letter to the Library Board Trustees requesting a meeting.

F. COMMENTS BY COMMITTEE MEMBERS:

No comments were made.

G. CHAIRPERSON'S COMMENTS:

Acting Chairperson Millman made no comments.

H. AUDIT REPORT

Mr. Mike Williams of Hochschild, Bloom & Company LLP was present to present the comprehensive audit report. He stated the city has received a certificate of achievement and is in compliance with GFOA standards. He said the independent audit report was dated November 12, 2019 and stated there were no problems with the report and it was given a clean opinion. He summarized the balance sheet on page 6 and said the city's revenues were up 1.3% and expenses were up 2.7%. On page 14 he said the general fund cash and investments were \$6.753 mil with total city assets of \$13.8 mil. He said the summary of the difference of revenues \$6.712 mil and expenses; \$6.125 mil were \$587,000. He mentioned the capital assets and the depreciation of the building. On page 28, Mr. Williams mentioned the city's pension plan and stated the net pension asset is \$5.2 mil. Ms. Bennett stated the plan is funded at approximately 98%. The budget actuals were reviewed with expenses under budget by \$147,000 for the year. Mr. Williams closed by mentioning the statistical information and trends.

Mr. Williams stated in the internal controls and compliance section of the management letter there are four comments:

- The city's lack of a fuel policy
- The city's outstanding construction escrow balances over 5 years old need to be addressed
- The city's comp time balances for the fire department are over the policy limit
- The city's purchase of a lawn mower for \$7,542 without the Board passing a resolution, which is required for purchases over \$7,500

Mr. Williams stated last year there were three comments mentioned with the fuel policy and construction escrows being the same, along with the comp time balances of the police department.

The committee applauded Ms. Bennett for a job well done.

I. REVIEW OF FINANCIAL REPORTS:

Ms. Bennett stated due to a lack of time, she would not give a review but did mention that ambulance revenues are up due to more calls in 2019 than in 2018.

J. OLD BUSINESS:

Sales Tax Trends

Ms. Bennett stated in the latest report on page 22, revenues are down from budget 35%, which is not reflected in the financial report. She stated a third of the retailers reported in September. She believes this is an issue with the state reporting.

Sales Tax & Utility Tax Audit

Ms. Bennett stated the contract was reviewed by the city's attorney, and he did not like the contract and suggested numerous changes to the wording. She stated she would request a new contract. Mr. Lenzen asked how far back the audit would go with the utility companies. Ms. Bennett stated she would ask.

Utility Tax Lawsuit Updates

Mr. Christensen stated there is no update on the utility tax lawsuit and said there was a trial last month with AT&T. He also said this is a slow process and has been in the courts for years, and that we are working against a huge industry.

Library Lawsuit Update

Mr. Christensen said the lawsuit is still in the judge's hand and said the city has spent approximately \$20,900 to date.

Multi-Year Plan

Acting Chairman Millman stated there is still nothing to report on this issue. Mr. Christensen said the city is working on a 20-year capital plan and stated both the fire and police departments are close to being finished, and that he is still working with the public works department.

Fund Balance Policy Review

Acting Chairperson Millman stated there is nothing to report on this.

Worker's Comp Insurance

Acting Chairperson Millman stated there is nothing to report on this.

Sales Tax Interruption Insurance

Acting Chairperson Millman stated there is nothing to report on this.

K. NEW BUSINESS:

None

L. SCHEDULE DATE FOR NEXT MEETING:

Tuesday, December 17, 2019, 5:00 p.m. Mr. Christensen stated this day may need to be changed, as there is a possibility of the Board of Alderpersons doing a walk through at the Life Time Fitness building and DESCO office building on this date. If the meeting date needs changing, the committee will be notified via email.

M. ADJOURNMENT

Acting Chairperson Millman asked for a motion to adjourn the meeting.

MOTION: Mr. Lenzen motioned, and Mr. Winer seconded the meeting be adjourned. All commission members presented voted "Aye." **MOTION PASSED.**

The meeting adjourned at 6:05 p.m.