

# CITY OF FRONTENAC



## MINUTES OF THE WAYS AND MEANS COMMITTEE WORKSHOP MEETING FRONTENAC CITY HALL THURSDAY, MAY 7, 2020

### A. CALL TO ORDER

The May 7, 2020 workshop meeting of the Ways and Means Committee of the City of Frontenac was called to order at 3:00 p.m. The meeting took place via teleconference.

### B. ROLL CALL

Chairperson Maggie Sherwood	Warren Winer
Joe Stergios	Bob Lenzen
Tim Sant	Jane Rubin
Alderman Dan Millman	Ex-Officio Emily Arneson

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 Hatfield was present.

### C. APPROVAL OF AGENDA

Chairperson Sherwood asked that the agenda be amended to add the upcoming meeting dates.

**MOTION**: Ms. Rubin made a motion and Mr. Stergios seconded to approve the agenda with the addition of discussing the meeting dates. All members voted "Aye." Motion passed.

### D. PUBLIC FORUM

No comments were made.

### E. COMMENTS BY COMMITTEE MEMBERS

None.

## **F. CHAIRPERSON'S COMMENTS**

Chairperson Sherwood thanked everyone who had worked on the budget behind the scene, both the staff and Committee members.

## **G. DISCUSSION**

### **19-20 Year-end Projections**

Ms. Bennett said revenue is coming in better than anticipated. Net income for the general fund and capital fund has a deficit of \$322,667. Ms. Bennett summarized the City's projections.

### **20-21 Budget**

For both the remainder of 19-20 and for 20-21, Ms. Bennett stated all travel and meetings have been cut with the exception of those pertaining to certifications. The following purchases have been delayed:

- the comprehensive plan;
- the ambulance purchase;
- the police vehicles purchases; and
- audio visual upgrades in the council room.

Ms. Bennett stated the Parks and Stormwater Fund is restricted funds that can only be spent on stormwater projects. The Geyer Road/East West Gateway TIP project is planned for next year. The City will receive a Federal grant associated with this project and will be reimbursed for 70% of the project costs. Twenty-five percent of this project is being allocated to the Stormwater Fund, with the remaining seventy-five percent being allocated to the Capital Improvement Fund. Grant revenue for the project is estimated to be \$209,867. The City also will receive grant funding from MSD in the amount of \$152,00 from the Timber Trail project.

In addition, there will be no salary increases or bonuses for employees. These expenditures may be revisited mid-year as the income situation becomes more clear.

The Committee recommended waiting until its May 19 meeting to pass the budget.

### **Property Tax Ballot**

Aldersperson Millman discussed his "burn-rate" analysis.

Chairperson Sherwood presented the documents she prepared for the Committee regarding possible tax increases, with a focus on a property tax increase. Chairperson Sherwood stated our max rate is 63 cents of assessed valuation but that the City has much lower actual rates than this due to the Hancock Amendment.

The earliest opportunity to put a tax increase vote to the residents is on the August 9, 2020 ballot, which has a May 26, 2020 filing deadline. There was discussion of the timing and whether to request an increase on the ballot in August 2020, November 2020, April 2021 or August 2021. A tax increase passed in August 2020 would be effective for the 2020 property tax collection. A tax increase passed in November 2020, April 2021 or August 2021 would be effective for the 2021 property tax collection.

Chairperson Sherwood stated if the City proposed a tax increase of 35 cents, the maximum allowable would be 98 cents, with the actual City rates being less than this due to the Hancock Amendment. She estimates the City would collect an additional \$1,100,000 for fiscal year 20-21 if a 35-cent increase was passed in August 2020. Also, \$1,100,000 is the current estimate of the expected deficit in the general fund and capital improvement fund for 20-21, so a 35 increase may not be enough.

Chairperson Sherwood asked the Committee members their opinion about when to put a property tax increase on the ballot. The Committee members generally are in favor of a property tax increase but are concerned about putting one on the August 2020 ballot as the City will not have much more information than it has now about the actual impact of the COVID-19 situation.

Mr. Christensen stated a few cities have tax increases on the June 2020 ballot. He said the City of Des Peres is putting a tax increase on the ballot within the next six months.

Mr. Christensen stated for a \$1,000,000 home, a 35 cent increase would be an additional \$665 a year (19% of market value of assessed valuation, then multiplied by the tax of 35 cents) and for a \$500,000 house (same formula) it would be \$333 a year.

Mayor Hatfield stated she is in favor of a property tax increase as the City is too dependent on sales tax. The Committee members agreed.

Chairperson Sherwood stated her thought is to start with education, which can be done now, regardless of when a property tax increase is requested.

#### **H. NEXT MEETING DATES**

Chairperson Sherwood stated the next Ways & Means Committee meeting will be on Tuesday, May 19, at 3:00 p.m., via teleconference. The joint meeting with the Board of

Aldermen will be on Wednesday, May 27 at 5:00 p.m. The Board of Aldermen meeting will meet on Wednesday, May 27 at 6:00 p.m.

Chairperson Sherwood stated the Committee will talk about timing of a property tax increase at the May 19 meeting, but the Committee is leaning towards not putting it on the August 2020 ballot.

Mayor Hatfield thanked Chairperson Sherwood for her work on the potential property tax increase. She also clarified that the Committee agreed that there does need to be a property tax increase at some point, the message to voters should be clarified, and the amount and timing of the property tax increase needs to be decided.

## **I. ADJOURNMENT**

**MOTION**: Mr. Stergios made a motion and Ms. Rubin made a second to the motion to adjourn the meeting. All commission member voted "Aye". Motion passed.

The meeting adjourned at 5:01 p.m.