



**MINUTES OF THE
CITY OF FRONTENAC
BOARD OF ALDERPERSONS
WEDNESDAY, MAY 27, 2020
WORKSHOP MEETING
VIA TELECONFERENCE**

The May 27, 2020, workshop meeting of the City of Frontenac was called to order at 5:00 p.m. with Mayor Kate Hatfield presiding. The Alderpersons present were Dan Millman, Brian Warner, Dan Kemper, and Jamie Griesedieck and Tom O'Brien (joined the meeting at 5:16 p.m.) Nalini Mahadevan was not present.

The Ways & Means Committee Members present were: Margaret Sherwood, Warren Winer, Jane Rubin, Tim Sant, Bob Lenzen, Joe Stergios, and Emily Arneson.

Also, in attendance were City Administrator, Jaysen Christensen; City Clerk, Leesa Ross; Public Works Director Jeff Wappelhorst; and Finance Officer, Lea Ann Bennett.

All attendees introduced themselves.

A. PRESENTATION OF THE FY 2020-2021 BUDGET

Ms. Sherwood stated the Ways & Means Committee had three budget workshops along with their regular meeting where the fund balance, expenses and revenues were discussed. Ms. Sherwood stated at the revenue meeting, the options for future property tax increases were discussed. At this time there is no recommendation, but there is an inclination towards a property tax increase that will be reevaluated when more data are available.

Ms. Bennett stated for the FY 19-20 budget, they re-looked at estimates from 19-20 sales taxes. They estimated for April there would be a decline of 80%, for May a decline of 60% and for June a decline of 30%. All remaining travel and conferences were suspended for the fiscal year. For the current FY 19-20 major capital expenses were cut that included a police vehicle, the comprehensive plan revision and audiovisual updates for Council Room. For the FY 20-21 budget salaries were frozen with no step increases, there are no travel or conference expenses except when they pertain to recertification, and other major capital improvement purchases, which include a new ambulance, new police vehicles, audio visual improvements in the ~~Board of Alderman~~Council Room-room, and the comprehensive plan revision, were postponed.

Ms. Bennett stated revenue for FY 20-21 was the FY 19-20 budget with sales tax reduced 25%. Business licenses, which are tied to revenue, were cut 15% from those in the 19-20 budget. She

said utility taxes were flat and interest income was reduced. The main capital expenses are related to Geyer Road project that must be done because it is tied to a grant.

Ms. Bennett also noted there is a deficit in the Capital Improvement Fund, which is expected to have a \$6.5 million negative fund balance at the end of FY 19-20. She said that at 6/30/20 she will transfer from the General Fund the amount needed to bring the Capital Improvement Fund's fund balance to zero and that similar transfers will be made at each year end going forward.

Ms. Sherwood explained the City's fund balance guidelines as stated in the language in the ordinance. She said the combined fund balances of the General and Capital Improvement Funds are supposed to cover two years of debt service and 50% of the General and Capital Improvement Funds' expenditures. After reflecting the two years of debt service, the expected combined fund balances at 6/30/21 as percentage of the combined ~~FY~~ 19-20 expenditures is 58%, which is uncomfortably close to the 50% level.

B. DISCUSSION

Mayor Hatfield asked the audience if they had any comments. There were no comments made at this time.

Mayor Hatfield asked for a motion to adjourn the meeting.

MOTION: A motion was made by Mr. Stergios and seconded by Ms. Rubin. All voted in favor of adjourning the meeting. Motion carries.

2. ADJOURNMENT: The budget workshop meeting adjourned at 5:19 p.m.