

CITY OF FRONTENAC



MINUTES OF THE WAYS AND MEANS COMMITTEE REGULAR MEETING FRONTENAC CITY HALL MAY 19, 2020

A. CALL TO ORDER

The May 19, 2020 regular 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 Margaret Sherwood	Warren Winer
Jane Rubin	Tim Sant
Aldersperson Dan Millman	Ex-Officio Emily Arneson, Assistant Treasurer

Mr. Bob Lenzen and Mr. Joe Stergios were absent.

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 Kate Hatfield was present.

C. VOTE TO APPROVE AGENDA

Chairperson Sherwood asked for a motion to approve the May 19, 2020 agenda.

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

D. VOTE TO APPROVE MEETING MINUTES

- April 16, 2020
- May 7, 2020 (Workshop Meeting)

There were two small changes to the minutes. Chairperson Sherwood asked for a motion to approve the corrected April 16, 2020 meeting minutes.

MOTION: Mr. Winer motioned and Alderperson Millman seconded approval of the April 16, 2020 meeting minutes. All voting members present voted in the affirmative. **MOTION PASSED.**

Chairperson Sherwood asked for a motion to approval the May 7, 2020 workshop meeting minutes.

MOTION: Alderperson Millman motioned and Mr. Sant seconded approval of the May 7, 2020 workshop meeting minutes. All voting members present voted in the affirmative. **MOTION PASSED.**

E. PUBLIC FORUM

There were no comments made.

F. COMMENTS BY COMMITTEE MEMBERS

No comments were made by any Committee members.

G. CHAIRPERSON'S COMMENTS

Chairperson Sherwood had no comments.

H. REVIEW OF FINANCIAL REPORTS

- **April 2020**

Ms. Bennett said sales tax revenues are better than anticipated due to previously due and unreported sales tax remittance. She said utility taxes are down and business licenses are down. Building permits and ambulance revenue are up, and court fines and miscellaneous revenues are down. She said the SLAIT reimbursement will be coming in soon. She said expenses are looking good and below budget year to date by \$70,000.

I. OLD BUSINESS:

Sales Tax Trends

Ms. Bennett stated the numbers are misleading as they appear to be up from last year. The revenue for March sales was from the previous periods and not March sales. She said the variance for FY2019-2020 is down 36.1%, and this is for 24 of 50 retailers that she tracks.

Sales Tax & Utility Tax Audit

Ms. Bennett stated she has nothing new to report at this time.

20-21 Budget

Ms. Bennett said the auditor noted that he would prefer to see the General Fund and Capital Improvement Fund separated. She said she would like to use the new summary page going forward. The deficit needed to be addressed in the Capital Improvement Fund. Each year there should be a transfer to cover any deficit. Starting with the Fiscal year 2019-2020, there will be a transfer from the Capital Improvement Fund to the General Fund.

Ms. Bennett stated a change was made to interest income due to a drop from 86 bases points of interest, down to 0.25. The resulting interest revenue estimate was lowered to \$23,000 from \$78,000. The total budget deficit is now \$1.112 million.

Chairperson Sherwood explained the actual language of the City's requirement of the General Fund and Capital Improvement Fund combine Fund Balance (the Fund Balance) should cover 50% of the General Fund expenditures, 50% of the Capital Improvement Fund expenditures and two years of debt service. She explained that after the two years of debt service, the Fund Balance at 6/30/21 is expected to be at 58% of the General Fund and Capital Improvement Fund expenditures and our target is 50%. The Committee members discussed splitting the two funds apart and the Fund Balance reduced for the two years of debit ser to expense ratio. The Committee decided to add both the target minimum and absolute minimum with 50% and 25% in a footnote.

Mr. Winer suggested an early review of the FY 2020-2021 budget to see where they are and not wait until mid-year to review. The times suggested were September-October or November.

Chairperson Sherwood asked for a motion to approve the FY 2020-2021 budget.

MOTION: Ms. Rubin made a motion and Mr. Sant seconded the motion to approve the FY 2020-2021 budget, subject to a review in the second quarter of the fiscal year.

ROLL CALL VOTE: Mr. Sant, "Aye"; Ms. Rubin, "Aye"; Chairperson Sherwood, "Aye"; Mr. Winer, "Aye"; and Alderperson Millman, "Aye". Motion passed.

Library Lawsuit Updates

Mr. Christensen stated that total library lawsuit expenditures to date are approximately \$56,000. He said he does not expect any more significant expenditures at this point and that the City will likely hit close to the \$60,000, which was authorized by the Board of Aldermen.

The library building plans are under review by the International Code Council and are currently in the library's court for some minor revisions requested by the ICC.

Chairperson Sherwood asked if the amended budget goes directly to the Board of Aldermen or is it subject to a Ways and Means Committee review. Ms. Bennett stated it is her intent to amend the budget after the accruals in September. Chairperson Sherwood suggested the amendment come to the Ways and Means Committee before going to the Board of Aldermen. Ms. Bennett agreed.

Utility Tax Lawsuit Updates

Mr. Christensen stated he had no update at this time.

Multi-Year Plan

Alderman Millman stated there are no updates at this time. He stated Mr. John O'Connell will help load the budget and help with models.

Property Tax Ballot Recommendation

Chairperson Sherwood stated there was discussion by the Committee at the last meeting regarding the issue of proposing a property tax for an August 2020 ballot issue. All the Committee members agreed to wait at this time. Chairperson Sherwood said there is not enough information to make an intelligent case for a significant increase, and she said the Committee does not have enough information on how much to ask for. The Committee affirmed its prior decision.

Worker's Comp Insurance

Chairperson Sherwood said she has no update at this time.

Sales Tax Interruption Insurance Coverage

Mr. Christensen stated the City is looking for an attorney to represent the City. The City of Des Peres was trying to get a multi-city group to represent all the cities with sales tax interruption coverage but then elected not to proceed as the policies are different. Des Peres proceeded to contract with an attorney on its own. Mr. Christensen said the Mayor and Board of Aldermen will determine if Frontenac will contract with an outside attorney such as the one Des Peres is using or will utilize the City attorney's office, Curtis, Heinz, Garrett and O'Keefe. Ms. Sherwood noted that insurance policy interpretation often requires an attorney who specializes in this.

J. NEW BUSINESS

Development Updates

Mr. Christensen said Uncle Julio's is due to open in September. Plaza Frontenac opened on Monday with 30% of stores. Saks is opening tomorrow and Neiman Marcus is making sales by appointment only. Mr. Christensen said 801 Grill is working to get plans submitted and will be under construction soon, with no opening date yet set. There was additional discussion on the opening of other businesses.

COVID-19 Updates

Mr. Christensen stated the lobby of City Hall is closed. All business is being done remotely. All staff are working normal shifts at City Hall. He also noted that the Wayfair legislation (online sales tax) did not pass in the State legislature last week.

K. SCHEDULE DATES FOR NEXT MEETINGS:

Teleconference Meeting on Wednesday, May 27, 5:00 p.m. (Joint Workshop Meeting with Board of Aldermen)

Next Ways & Means Committee Meeting, Tuesday, June 16, 2020, 3:00 p.m.

The Committee members thanked Ms. Bennett for her work on the budget.

L. ADJOURNMENT

MOTION: Mr. Winer made a motion and seconded by Ms. Rubin to adjourn the meeting. All Committee members voted "Aye".

The meeting adjourned at 4:21 p.m.