

CITY OF FRONTENAC



MINUTES OF THE WAYS AND MEANS COMMITTEE REGULAR MEETING FRONTENAC CITY HALL JUNE 16, 2020

A. CALL TO ORDER

The June 16, 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
Bob Lenzen	Aldersperson Dan Millman
Ex-Officio Emily Arneson, Assistant Treasurer	

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. Also, in attendance were Mr. Ken Marx and Mr. Tom Mug.

C. VOTE TO APPROVE AGENDA

Chairperson Sherwood asked for a motion to approve the June 16, 2020 agenda.

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

D. VOTE TO APPROVE MEETING MINUTES

- **May 19, 2020**

Chairperson Sherwood asked for a motion to approve the corrected May 19, 2020 meeting minutes.

MOTION: Mr. Winer motioned and Aldersperson Millman seconded approval of the May 19, 2020 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

Alderson Millman stated he would like to congratulate Ms. Bennett for recovering an additional \$40,000 in taxes for the City. He said the total amount recovered is \$200,000. Alderson Millman also congratulated Ms. Bennett for being elected as the Secretary for the Government Finance Officers of America (GFOA), Eastern Division.

G. CHAIRPERSON'S COMMENTS

Chairperson Sherwood had no comments.

H. REVIEW OF FINANCIAL REPORTS

- **May 2020**

Ms. Bennett stated revenues are down, however they did have some catch up reporting, for money which had gone to Des Peres. Ms. Bennett stated the use tax is ahead of budget by 46%, and that the June numbers have doubled since June of last year. The business licenses are down \$158,000, and that is a timing issue.

I. OLD BUSINESS:

Sales Tax Trends

Ms. Bennett stated the June receipts are showing the effects of the shutdown, and that June receipts are \$30,000 behind last year. She said with the catch-up reporting, the city would have been 15% to 20% behind last year. She said the one cent sales tax is 9% behind budget and 4% behind last year. The July and August sales taxes received, which count for May and June sales, will be accrued back to the FY 2019-2020 budget year. Ms. Bennett said she believes we will be more than 10% below on sales tax. She said on the Apples to Apples comparisons, March showed all reporting, and April only showed a few who reported. She also said April was 68% down.

Sales Tax & Utility Tax Audit

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

Sales Tax Interruption Policy

Mr. Christensen stated the city did file a notice to file a claim for the sales tax interruption policy, due to the pandemic which affected the city's sales. Mr. Christensen said there is a possibility that we will settle. He said we don't know the future of sales tax interruption policies. Mr. Christensen stated the City of Des Peres also did file a notice.

Ms. Bennett stated all four cities have filed notice or filed a claim, that includes the Cities of Richmond Heights, Eureka, Des Peres and Frontenac. The city is using their own legal counsel for this issue. Mayor Hatfield stated Ladue also has a sales tax policy, through Daniel and Henry, however they are not in the Saint Louis Area Insurance Trust (SLAIT).

Utility Tax Lawsuit Updates

Mr. Christensen stated Judge Jamison filed a judgement in December, then retired. A post-trial motion date has been set for July 14. The AT&T case is in the discovery phase. Summary judgments will not occur until 2022, per Mr. Christensen.

Development Updates

Mr. Christensen stated things are moving slowly. Uncle Julio's is still planned to open in September but has not worked in the past several months. They have 60 days of work to do before they can open. The bank is on track to also open in September. All tenant remodeling at Plaza Frontenac is on hold until next year. Mr. Freeburg stated 75% of the stores are open. Mr. Christensen said regarding the library, the city is still waiting on a response on their plans. He also said the Payne Family Homes Development (former area of the trailer park) framed up the first building and will open the model later this year. They have also submitted plans for the second building. Mr. Christensen said plans have not been turned in yet, for the restaurant in the new three-story office building on the DESCO development sit. Also, LifeTime Fitness opened yesterday.

COVID-19 Updates

Mr. Christensen stated operationally the city is still the same as last month. Everyone at City Hall is working normal hours, and city services are continuing. City Hall is still closed to the public and direct contact with the staff is still limited. He said he will discuss with the Board of Alderpersons at their meeting later today, about the possibility of having face to face meetings.

Multi-Year Plan

Alderperson Millman stated there is not much to report and said Mr. John O'Connell will help load the budget.

J. NEW BUSINESS

Chairperson Sherwood asked if there were extra expenses due to the protest march in Frontenac. Ms. Bennett stated yes, approximately \$2,600 in overtime costs for the police, for six extra officers. Ms. Rubin asked if there was additional overtime for helping elsewhere? Ms. Bennett stated no, not to her knowledge.

Insurance Renewals

Ms. Bennett stated we don't have the sales tax interruption policy quote, and the current policy does not renew until August 1. The City of Des Peres had a significant reduction from FY 2018-2019 to FY 2019-2020, as they eliminated their flood coverage. She said they did not see a huge increase. She stated the City of Eureka's policy for FY 2019-2020 was \$9,800 and the estimate for FY 2020-2021 is \$23,000, and they only insure Six Flags. She said Lloyd's of London would not bind the coverage but did extend it for 30 days. Ms. Bennett said per Daniel & Henry, our quote may be doubled, as last year's quote was \$26,000, and said this year's quote could be \$52,000. She said work comp came in at \$223,000, (and she budgeted \$233,000. Currently we are \$22,000 underbudget on the premiums, that came in.

Mayor Hatfield asked if there was any update on the CARES Act funding. Mr. Christensen stated there is no update and there is an idea that the county will share the funds with cities.

K. SCHEDULE DATES FOR NEXT MEETINGS:

Next Ways & Means Committee Meeting, Tuesday, July 21, 2020, 3:00 p.m.

L. ADJOURNMENT

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

The meeting adjourned at 3:46 p.m.