

CITY OF FRONTENAC



**MINUTES OF THE
WAYS AND MEANS COMMITTEE
HELD VIA VIDEOCONFERENCE
3:00 P.M., WEDNESDAY, SEPTEMBER 21, 2022**

A. CALL TO ORDER

The September 21, 2022 meeting of the Ways and Means Committee of the City of Frontenac was called to order at 3:00 p.m.

Aldersperson Dan Millman chaired the meeting in the absence of Chairperson Sant. All participated via video and phone.

B. ROLL CALL

Aldersperson Millman
Ken Marx (phone)
Katie Dixon

Warren Winer
Tom Mug (phone)

Mr. Kennedy was also absent.

City Clerk Leesa Ross stated a quorum was present.

Also in attendance was Mr. Christensen, Ms. Bennett, Assistant City Treasurer, Emily Arneson; and Mayor Kate Hatfield.

C. VOTE TO APPROVE AGENDA

Aldersperson Millman made a motion and Mr. Mug made a second to the motion, to amend the agenda to add the review of the budget amendments to the September 21, 2022 agenda. All voting members present voted in the affirmative. **MOTION PASSED.**

Aldersperson Millman motioned and Mr. Marx made a second to the motion to approve the amended agenda. All voting members present voted in the affirmative. **MOTION PASSED.**

D. APPROVE MINUTES

Aldersperson Millman asked for a motion to approve the June 22, 2022 minutes.

MOTION: Mr. Mug made a motion and Mr. Marx made a second to the motion to approval of the minutes. All voting members present voted in the affirmative. **MOTION PASSED.**

E. CITY ADMINISTRATOR REPORT

Mr. Christensen said the Geyer Road project is moving along with easements currently being obtained, with construction of Phase 1 slated to begin in the Spring 2023, which will include sidewalks on the west side of the road. The comp plan is underway, with one additional public forum set to be scheduled for November. The final review will go to the Planning & Zoning Commission in December or January. The city is currently conducting a community – citizens satisfactory survey by the Warren Poll. The Frontenac Fall Festival is scheduled on Friday, Oct 7 from 6:00 p.m. to 8:00 p.m., where the city will also celebrate it's 75th anniversary. Today there was a ruling on the O'Hara case in the city's favor, referencing the property on the southwest corner of Spuede and Clayton Road. The homeowners have 30 days to appeal the ruling and if no appeal, the resident has 90 days to comply with the ruling. The city was also awarded attorney fees.

F. PUBLIC FORUM

No comments at this time.

G. COMMENTS BY COMMITTEE MEMBERS

No comments by committee members at this time.

H. CHAIR'S COMMENTS

No comments by Alderperson Millman at this time.

I. REVIEW OF FINANCIAL REPORTS – June and August 2022

Ms. Bennett stated the June financial are ready for audit, that will begin Monday. Accruals were added, as well as the budget amendments. Revenue was 45% above budget at \$3.5 million dollars. The tax increase generated \$2 million dollars. Sales taxes were over budget by \$350,000, and they are back to pre-pandemic levels. Ambulance and court revenues are above budget. Expenses are 10% under budget due to not receiving the new ambulance and construction of the Geyer Road project. DESCO Abatement was more than anticipated as sales taxes were higher.

Ms. Bennett stated net income for the year is \$2.8 million for the general and capital funds. A \$1.7 million loss was budgeted, so the swing amount was \$4.5 million.

Unrestricted cash increased by over \$2.6 million, and net income was \$2.8 million. The cash position is healthy.

Budget amendments were discussed by Ms. Bennett. Cost of adjustments is \$256,900. Alderperson Millman made a motion and Mr. Mug made a second to the motion to approve the budget adjustments. All members voted in favor of the motion. MOTION PASSED.

August Financial Reports –

Ms. Bennett stated sales taxes were 13% above budget, and expenses were below budget by 2%, mainly due to fire department overtime. Personnel expenditures are under budget, due to the anticipated market adjustments. All employees received a 6.2% market adjustment effective July 1. Utility taxes are also above budget. The building department revenue is below budget and ambulance and court fines are above budget.

J. OLD BUSINESS

✦ Sales Tax Trends

- Ms. Bennett stated the sales tax is out performing by 12%. The use tax is doing very well. Mr. Christensen gave an update on Plaza Frontenac, and possible future tenants.

Unrestricted cash in August 2022, is down.

✦ ARPA Funds

- Ms. Bennett stated the city has received all the ARPA funds, 50% last year and 50% this year, for a total of \$721,815.00. The funds can be contributed to lost revenue and will be justified as police and fire salaries.

✦ Salary Survey

- Mr. Christensen stated CBIZ was hired for a salary survey and job description summary. The salary study is not complete yet. There will be a meeting the first week of October to go over the current report. One reason for the delay is that CBIZ complies its data and does market analysis. Mr. Christensen explained CBIZ's process to the committee.

K. NEW BUSINESS

✦ 2022 Tax Rates

- Ms. Bennett explained the 2022 tax rates which are across the board \$1.00 for residential, commercial and person property. The property tax is anticipated to generate \$3.2 million dollars.

Mr. Marx asked what interest rate is being paid on our money. Ms. Bennett stated she thought it is 1%. He asked her to consider investing in 90-Day T-Bills, which are paying 3.26%, prior to today's interest rate hike.

There was discussion of the process of the salary increases, and the possibility and need for a special Ways & Means Committee meeting to discuss the proposed salaries, before the scheduled October meeting. Alderperson Millman stated he would like this fast-tracked to get a salary ordinance passed. Mr. Christensen stated a special meeting may be needed to go over the process and numbers.

L. SCHEDULED DATE FOR NEXT MEETING

Wednesday, October 19, 2022 at 3:00 p.m.

M. ADJOURNMENT

MOTION: Mr. Mug made a motion to adjourn the meeting, and Mr. Marx made a second to the motion. The motion carried unanimously. **MOTION PASSED.**

The meeting adjourned a 3:46 p.m.