

CITY OF FRONTENAC



MINUTES OF THE WAYS AND MEANS COMMITTEE FRONTENAC CITY HALL Tuesday, April 9, 2019

A. CALL TO ORDER

The April 9, 2019 meeting of the Ways and Means Committee of the City of Frontenac was called to order at 7:00 p.m.

B. ROLL CALL

The following Committee members were present:

- ✓ Chairman John O'Connell
- ✓ Alderman Bray
- ✓ Michelle Bock
- ✓ Mark Kiehl
- ✓ Warren Winer

Ms. Cooper noted there was a quorum.

Also in attendance were Mayor Margot Martin, Alderman Dan Kemper, Alderman Tom O'Brien, City Administrator Jaysen Christensen, Finance Officer Lea Ann Bennett, and Administrative Assistant Shari Cooper.

C. APPROVAL OF AGENDA:

Chairman O'Connell requested approval of the April 9, 2019 agenda.

Chairman O'Connell asked for a motion to approve the agenda.

MOTION: Alderman Bray motioned and Mr. Kiehl seconded approval of the agenda. All voting members present voted in the affirmative. **MOTION PASSED.**

D. APPROVAL OF MINUTES:

Chairman O'Connell requested approval of the March 12, 2019 minutes.

Chairman O'Connell asked for a motion to approve the minutes.

MOTION: Mr. Kiehl motioned and Mr. Winer seconded approval of the March 12, 2019 minutes. All voting members present voted in the affirmative. **MOTION PASSED.**

E. PUBLIC FORUM (PRESENTATION OF REMARKS AND/OR PETITIONS):

Mayor Martin thanked all of the Ways & Means Committee Members and stated they have put in a load of work and behind the scenes work. She stated that the City of Frontenac is so fortunate to have you. Chairman O'Connell stated it has been a pleasure serving you.

Dan Millman of 2 Huntleigh Downs stated he was curious about our tax that we voted on. The focus groups a year or so ago had talked about different scenarios. Mr. Millman asked when this is coming back in front of the citizens of Frontenac. Chairman O'Connell stated that this is yet to be determined.

Chairman O'Connell stated that we are fortunate that sales tax revenues, in the intermediate period, have been stronger than expected and have bought us some time. He stated we will ultimately need to find additional revenues somewhere through a property or utility tax. Those are the two things that voters can vote on themselves. Our expenses continually grow at a faster pace than our overall revenues. Currently our sales tax seems to be behaving remarkably better than surrounding areas. Mr. Millman said, this is a wait and see. Chairman O'Connell agreed.

Mr. Winer added that the other thing on the table for discussion is pay levels. We have historically had a goal of 70th percentile; recent studies have shown that we have slipped down below the 50th percentile. This suggests that while looking at the revenue side, to take a look at the expense side also.

Alderman Bray stated there were some areas of misunderstanding on how the property taxes worked. The previous administration told us that we only get the first year in all new residential construction and Mr. Christensen checked on that and said it was incorrect. Alderman Bray also stated that the DESCO and LifeTime Fitness projects were coming on line in October or November; sometime soon we will be receiving some real tax income. Mr. Millman stated that every membership is taxable.

F. COMMENTS BY COMMITTEE MEMBERS:

No comments were made.

G. CHAIRMAN'S COMMENTS:

No comments were made.

H. REVIEW OF FINANCIAL REPORTS:

Ms. Bennett stated she would like to start off by addressing some questions that were brought to her at the last meeting. It had been discussed what percent our square footage business licenses were to the rest of the business licenses, and it is almost exactly 15% of the total amount of licenses. Alderman Bray asked if we knew when the last time an increase was on the square footage. Ms. Bennett stated no, she doesn't have access to that information and would have to have Mr. Christensen look into that. Mr. Christensen stated that we will do a survey of surrounding cities in regards to the fee per square foot or gross receipts.

With regard to sales tax and retailers that were behind, Ms. Bennett stated she spoke with someone at the Department of Revenue. She stated they have a specific division that handles sales tax and we now have their number. They are checking to see if anything can be done short of us requesting an audit. We do have the right to request an audit of the retailers and they are obliged to do those audits but not in any certain time frame. Ms. Bennett stated she had spoken to two of the retailers that are missing some months and spoke directly with their corporate offices. She stated she has yet to receive a return call from them. She stated that she thought it was interesting that the same accounting firm that backs into the telephone tax is doing their sales tax.

February 2019:

Ms. Bennett stated that the sales tax was crazy high compared to last year, especially. She looked at the back sales tax reports and the most major thing was \$103,000 from a store that didn't report at all in 2018, so this was timing in reporting. Mr. Winer asked if we could start seeing the apples to apples report again. Ms. Bennett stated that she receives this closer to the 10th of each month. Chairman O'Connell requested that be sent out to the members as soon as she gets it.

Chairman O'Connell noted court cases are looking like our normal trend. It is what it is. He stated that there was no other further financial information to discuss.

I. OLD BUSINESS:

Utility Tax Lawsuit Updates

Mr. Christensen stated that the Charter trial date is still set for May 10, so we should possibly have some information on that at our next meeting. The AT&T Mobility lawsuit is still looking forward to a date next year.

Internal Controls Review

Ms. Bennett stated she needs some dates for availability with sub-committee members.

Fiscal Outlook

Chairman O'Connell stated that there are no further updates at this point.

Employee Salaries

Chairman O'Connell stated that at this point we have asked for direction from the Board of Aldermen, which we hope to hear from soon one way or another, if for no other reason than to avoid doing the budget one way with salaries, and then finding out they want it to go in the opposite direction. He stated if they could give us some direction that would be great.

Mr. Christensen added that he has the most updated 60th percentile numbers based on the most recent numbers from other cities. The numbers show we really didn't gain nor lose any ground from last year. He stated he will be sharing this information with the Board and asking for a direction on what they want to do.

FY19-20 Budget

Chairman O'Connell stated we have the subcommittee process underway and there is a revenue meeting Monday and expense meeting Tuesday. Ms. Bennett added that she and Mr. Christensen had met with all of the department heads and she will be taking the budget to the conference with her tonight and hopefully have the net income by Monday.

J. NEW BUSINESS:

Chairman O'Connell stated that he would like the committee to express their thanks to Mayor Martin for her service not just as Mayor but Alderwoman for years and years and advocate for the City of Frontenac. He stated that the City of Frontenac is blessed to have had you in all of those roles.

K. SCHEDULE DATES FOR NEXT MEETINGS:

Regular Ways & Means Meeting, Tuesday, May 14, 2019 at 7:00 pm

L. ADJOURNMENT

Chairman O'Connell asked for a motion to adjourn the meeting.

MOTION: Mrs. Bock motioned and Mr. Winer seconded the meeting be adjourned. All commission members presented voted "Aye". **MOTION PASSED**.

The meeting adjourned at 7:27 p.m.