

CITY OF FRONTENAC



MINUTES OF THE CITY OF FRONTENAC WAYS AND MEANS COMMITTEE FRONTENAC CITY HALL, TRAINING ROOM WEDNESDAY, FEBRUARY 22, 2017

A. CALL TO ORDER

The February 22, 2017 meeting of the Ways and Means Committee of the City of Frontenac was called to order at 5:35 P.M.

B. ROLL CALL

The following Committee members were present:

- | | |
|-------------------------|--------------------|
| ✓ Chairman Warren Winer | ✓ Mark Kiehl |
| ✓ Michelle Bock | ✓ Nalini Mahadevan |
| ✓ Ken Crawford | ✓ Jane Rubin |

Also in attendance were City Administrator Bob Shelton; Finance Officer Lea Ann Layden and Administrative Clerk, Shari Cooper.

Ms. Cooper noted that there was a quorum.

C. APPROVAL OF AGENDA:

Chairman Winer requested approval of the February 22, 2017 Agenda.

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

D. APPROVAL OF MINUTES:

Chairman Winer requested approval of the January 10, 2016 Regular Meeting Minutes.

MOTION: Mrs. Rubin motioned and Mrs. Bock seconded approval of the minutes. All voting members present voted in the affirmative. **MOTION PASSED.**

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

Chris Buchmeier of the Frontenac Fire Department stated they would be entering into contract negotiations with the City since it has been three years. He stated they would be obtaining salary surveys from comparable cities. If they have any questions, please contact Floyd Blake of the Frontenac Fire Department.

F. COMMENTS BY COMMITTEE MEMBERS:

No comments were made at this time.

G. CHAIRMAN'S COMMENTS:

No comments were made at this time.

H. REVIEW OF FINANCIAL REPORTS:

January, 2016:

Mrs. Layden stated that year-to-date revenues are down 6.9%, mainly due to sales taxes, building permits, and utility taxes. Chairman Winer stated that he was looking forward to the long range model discussion with new projections.

Mrs. Layden also stated year-to-date expenses are down 2.7%. Mr. Kiehl asked if the year to date expenses being down were purely timing or if there would be actual savings. Mrs. Layden stated they are mostly timing.

I. OLD BUSINESS:

Sales Tax Trends:

Mrs. Layden stated sales tax has been consistently down this year. Mr. Shelton added that the city is looking into online shopping (ex. Amazon) to see what percentage we will be taking in, if any, through the Use Tax. He stated the County did not pass the 1 cent so we would only receive 1.5% of sales on-line.

Status of Grove PILOT:

No updates as of now.

J. NEW BUSINESS:

Cell Phone revenue discussion:

Mr. Shelton stated that looking at cell phone taxes we will need to notify the cell phone companies collecting .5% to go to the 8% that our Ordinance requires. Chairman Winer stated that this is a potential for a huge swing.

Chairman Winer asked to conclude this budget recommendation by May to see what this could possibly turn into for the city.

Review of property and utility tax data:

Mrs. Layden stated that we would look at an addition \$245,000 yearly as a property tax rate increase. The committee discussed comparable cities and stated our total property tax is lower and our residential utility is significantly lower.

If we look at 8% utility tax across the board, we would see around a 1.4 million increase to the general fund. The state maximum is 10%, but most cities levy 6-8%. Currently this would just be for residential, commercial is already at the upper end. Any property or utility tax increase would require voter approval. Chairman Winer stated the beauty of the utility tax is it could adjust as future revenue increases or decreases.

K. SCHEDULE DATES FOR NEXT MEETINGS:

Tuesday, March 14, 2017 at 7:00 p.m.

L. ADJOURNMENT

Chairman Winer requested approval for adjournment of the February 22, 2017 meeting.

MOTION: Mr. Kiehl motioned and Mr. Crawford seconded that the meeting be adjourned. All voting members present voted in the affirmative. **MOTION PASSED**.

Meeting adjourned 6:55 P.M.