

CITY OF FRONTENAC



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

A. CALL TO ORDER

The April 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 Maggie Sherwood	Warren Winer
Joe Stergios	Bob Lenzen
Jane Rubin	Tim Sant
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 and Aldersperson Griesedieck were present.

C. VOTE TO APPROVE AGENDA

Chairperson Sherwood asked for a motion to approve the April 16, 2020 agenda with the removal of the second Revenue Budget Review item.

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

D. VOTE TO APPROVE MEETING MINUTES

- **January 2020**
- **March 2020 (Workshop Meeting)**

Chairperson Sherwood asked for a motion to approve the January 21, 2020 and March 24, 2020 meeting minutes.

MOTION: Mr. Lenzen motioned and Alderperson Millman seconded approval of the January 21, 2020 and March 24, 2020 minutes. All voting members present voted in the affirmative.

MOTION PASSED.

E. COMMENTS BY COMMITTEE MEMBERS

No comments were made by any Committee members.

F. CHAIRPERSON'S COMMENTS

Chairperson Sherwood thanked Alderperson Millman for filling in the last meeting in her unexpected absence.

G. REVIEW OF FINANCIAL REPORTS

- **March 2020**

Ms. Bennett said she would not go over the financial statement but would take questions. She stated revenues were up and expenses are being kept down.

H. OLD BUSINESS:

Sales Tax Trends

Ms. Bennett stated revenues are up for the current month's report, which were revenues from January sales. She said revenue is anticipated to be down for the remainder of the year because of the pandemic and Plaza Frontenac and other businesses being closed. The Committee discussed PILOTS and money anticipated from them.

Sales Tax & Utility Tax Audit

Ms. Bennett stated this is ongoing and she said she has received some revenue from the audit.

Budget Schedule

Ms. Bennett stated at this time she did not anticipate the need for an expense meeting, as the budget was cut dramatically. Mr. Christensen stated most spending other than for personnel and necessary expenditures were cut from this budget. He stated the decision was made to delay the purchase of a new ambulance, which would cost approximately \$350,000.

Revenue Budget Review

There was additional discussion about the anticipated FY2019-2020 budget. Ms. Bennett stated she anticipates revenue to be down by 30% for March, 80% for April and May and 60% for June. She also anticipates a shortfall of at least 25% for sales tax in the upcoming FY2020-2021 budget. Ms. Sherwood stated she and Ms. Bennett had projected the revenues for FY2019-2020 to be down \$920,000 to \$930,000. Ms. Sherwood stated she anticipates revenue next year to be down 26% due to a reduction in June revenue. There was discussion by the Committee to use a 25% decrease in sales tax revenue for next year's budget.

Ms. Bennett went into more discussion about the anticipated revenue shortfalls for the FY2020-2021 budget. She stated she had spoken to several finance directors in other cities and stated they also are anticipating a 25% decrease in sales tax revenue for FY2020-2021. Mayor Hatfield stated we need to look at professional organizations and standards for information to estimate what shortfall to anticipate. There was additional discussion by the Committee.

Ms. Rubin asked about the accuracy of that estimate and said she feels the sales tax revenues will be down more than 25%. There was additional discussion, and the Committee decided to keep the number at a 25% decrease in sales tax revenue for FY2020-2021.

Library Lawsuit Updates

Mr. Christensen stated to date approximately \$46,000 has been spent on legal fees. He also stated he feels this lawsuit will be concluded soon. Mayor Hatfield reviewed several topics still being discussed regarding the settlement and stated she also anticipates a final settlement will be made soon.

Utility Tax Lawsuit Updates

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

Multi-Year Plan

Aldersperson Millman stated at this time there is too much uncertainty to do a multi-year projection. He said the multi-year plan can be addressed in the future.

Worker's Comp Insurance

Chairperson Sherwood said there is nothing to discuss about rates at this time. She did say she expects the City's worker's comp to go up due to the Governor Parson's emergency order that COVID-19 in first responders is assumed to work related

Sales Tax Interruption Insurance Coverage

Mr. Christensen stated the City had inquired as if the pandemic would be covered by the City's sales tax interruption policy. Mr. Christensen stated the City received an initial response, that it would not be covered due to an exclusion for microorganisms. Since CoVID-19 is a virus and not a microorganism, he turned the issue over to the City's attorney who will draft a letter to the insurance company. He said several other cities, who have the same sales tax interruption policy may write a joint letter on all the cities' behalf.

I. NEW BUSINESS

Development Updates

Mr. Christensen stated it was just announced that 801 Grill had signed a lease in the new office building where Stifel Nicolas is located on Lindbergh in the DESCO development site. He said several businesses, such as Chico's and Ann Taylor in Plaza Frontenac, have delayed their construction projects. He stated there was another business coming, that has delayed their project at this time.

COVID-19 Updates

Mr. Christensen stated the City Hall lobby is open only for permit drop offs. There currently is no public access to City Hall. He stated the municipal court is closed due to an order by the presiding judge over St. Louis County. He said most City Hall staff is working from home, but they are coming into the office several times during the week when needed. He said expenses incurred by COVID-19 are being tracked, and the City can anticipate receiving some reimbursement for these from FEMA for PPEs for the emergency responders, masks, gloves, hand sanitizer. He also pointed out that any overtime that is being expended now is to cover the shifts of first responders with COVID-19 exposure or actual COVID-19 because they are quarantined.

J. SCHEDULE DATES FOR NEXT MEETINGS:

There we discussions about upcoming meetings. Chairperson Sherwood asked the Committee if the date Tuesday, May 5 at 3:00 p.m. would work for everyone for the next meeting. The idea of a combined meeting with the Board of Alderpersons was decided at 5:00 p.m. on either Wednesday, May 26 or Thursday, May 27, prior to the Board of Alderpersons meeting. All Committee members agreed on these dates and times. Ms. Sherwood stated she will contact the Committee if she feels an additional meeting is needed.

K. ADJOURNMENT

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

The meeting adjourned at 4:44 p.m.