

MINUTES OF THE REGULAR MEETING
OF THE FINANCE COMMITTEE
OF THE CITY OF SUNSET HILLS, MISSOURI
HELD ON THURSDAY, SEPTEMBER 8, 2011

BE IT REMEMBERED that the Finance Committee of the City of Sunset Hills, Missouri met in regular session at City Hall Quarters, 3939 S. Lindbergh Blvd., in said City on Thursday, September 8, 2011. The meeting convened at 5:35 p.m.

ROLL CALL

Present:	Thomas Hrastich	-Chairman
	Kerry Borawski	-Member
	Patricia Fribis	-Member
	Michael Sawicki	-Member
	Laura Rider	-Ex Officio Member
Absent:	Michael Fitzgerald	-Member

It should be noted that Mayor Nolan, Alderman Hardy and Mrs. Phillis Hardy, City Collector, were also in attendance.

APPROVAL OF THE MINUTES

Copies of the Minutes of the June 2, 2011 meeting were distributed to the members for their review. Mr. Sawicki made a motion to approve the Minutes as submitted. Alderman Fribis seconded the motion, and it was unanimously approved.

2012 BUDGET PROPOSAL

- Revenue – Laura Rider, City Clerk

Mrs. Rider stated that the projected revenue for 2012 is flat with the projected 2011 revenue. The assessed valuation has decreased; the projected real estate tax revenue is based on the current tax rate. If the rate does not change, there will be a decrease in real estate tax revenue.

Mrs. Rider stated that there was an increase in the rates of Ameren UE of about 7%. The projected revenue from electric utility receipts is based off of the 2011 amount. A notice has been received from the Public Service Commission regarding the rates. When the increase is over 7%, cities are notified. By statute, the cities can maintain the current tax rate or can roll it back. If the current rate is maintained, an additional \$64,000 in revenue will be received which would help with the budget deficit. She explained that the Board of Aldermen will need to approve an ordinance to maintain the rate of the electric utility receipts.

There was discussion of the closing of Borders in the Plaza. There has been some interest expressed from a couple retailers in occupying this location; however, it could be 12 months before this location is reoccupied.

Mayor Nolan explained that Petro Mart presented a Concept Plan to the Planning and Zoning Commission at last night's meeting for a convenience store and a gas station at the former Bob Evans location.

- Public Works – Anne Lamitola, City Engineer

Mrs. Lamitola stated the Public Works budget for the General Fund is \$143,000 less than the 2011 budget. She added that the 2011 Budget is \$148,000 less than the 2010 Budget.

Mrs. Lamitola stated that the Capital Improvement Sales Tax budget is \$283,184 less than the 2011 budget. The 2011 Budget was \$154,000 less than the 2010 Budget.

Mrs. Lamitola stated that the Public Works Department has exceeded budget reductions OVER other departments yet again for the 2012 budget. There is decreasing revenue and there has been an increase in other departmental expenditures. The Public Works Department Budget is 50% salary and 50% projects, road maintenance, equipment, etc.

Mrs. Lamitola stated that the 2012 budget reductions include replacement vehicle for the Building Inspector which was also removed from the 2011 budget. The current vehicle is almost 13 years old. The plan is to obtain a two year old used police car that will be retired which will save approximately \$13,000. The guardrail project on Old Gravois Road has been eliminated from the budget for the second year. An all-terrain vehicle for use on the campus grounds maintenance and activities has also been eliminated from the budget for the fifth year. Street sign replacement has been eliminated as the federal regulations have allowed more time to meet the requirements. There was \$75,000 removed from next year's concrete pavement replacement project. In addition, an update to the Comprehensive Plan, the zoning regulations and subdivision regulations was removed from the 2012 Budget. The last update to the Comprehensive Plan was in 2002 which was minor in nature.

Mrs. Lamitola stated the 2012 Budget does include the purchase of a skidloader. Federal Funding was received for 85% of the costs for engineering regarding the Kennerly Road project. The 2012 budget does include some funds for concrete pavement replacement by a contractor, Novachip project, asphalt projects. The budget also includes in-house projects such as concrete pavement replacement, culvert managing, crack sealing and pot hole patching.

Mrs. Lamitola stated that the Budget does include a 3% salary increase for all employees of the Public Works Department. Insurance costs also increased. The costs for street lighting also increased due to the electric utility rate increase.

Mrs. Lamitola explained that the overtime costs in 2011 have been mostly due to the tornado; however, the winter months had quite a bit of snow and ice that called for snow removal.

Mr. Sawicki asked Mrs. Lamitola the item she would like most to put back in the 2012 budget. Mrs. Lamitola stated that most likely it would be the update to the Comprehensive Plan and an update to the zoning regulations to address issues such as storm water runoff. Subdivision regulations are also in need of being updated.

Mrs. Lamitola left the meeting.

- Public Safety – William LaGrand, Chief of Police

Chief LaGrand stated the majority of expenses are the salaries. Another large expense is the cost of gasoline. The 2012 budget for gasoline is based on the price of \$3.49 per gallon. Originally the budget included the purchase of three replacement vehicles. However, one car has been eliminated and the 2012 Budget includes the purchase of three marked police vehicles to be replaced.

Chief LaGrand stated that the Christmas Light display on the building has been removed from the Capitol Improvement Sales Tax fund budget. The identikit and the D.A.R.E. program have been eliminated from the General Fund budget.

Chief LaGrand stated a used police car will be transferred to the Public Works Department.

Chief LaGrand explained some patrol equipment cannot be transferred to all cars and cannot be retrofitted.

Chief LaGrand explained that Sunset Ford is now performing maintenance on police vehicles at a discounted rate.

Chief LaGrand also explained that the overtime expense is basically due to two positions being vacant until June of this year and one officer being deployed for military service until some time next year.

Chief LaGrand left the meeting.

- Parks & Recreation – Gerald Brown, Director

Mr. Brown stated that the full-time custodian resigned a few weeks ago and the full-time position is not going to be filled. The custodial work will be performed by part-time. In addition, part-time hours have decreased at the community center and it was possible to reduce the number of life guards by two per shift at the aquatic facility.

Mr. Brown stated that there was a loss of revenue due to the December 31, 2010 tornado that destroyed the shelter and tennis courts and the maintenance shed was damaged. Construction on the shelter was completed about a month ago and the tennis courts are anticipated to soon be completed. The maintenance shed still needs to be repaired.

The 2012 Budget does include the purchase of a walk behind lawn mower to replace an old mower.

Mr. Brown stated that the recently installed electronic sign has brought more attention to the community center. In addition, new revenue flows are being researched. Businesses, schools, churches, etc. are being contacted to promote memberships to the community center. Incentives will be offered to those who renew their annual memberships early. There has also been a joint venture worked out with Two Hearts Banquet Center.

Mr. Brown left the meeting.

- Administration/Court – Laura Rider, City Clerk

Mrs. Rider stated that 2012 Administration Budget is less than this year's budget. There are not any equipment purchases in the 2012 Budget.

Mrs. Rider stated there is a slight increase in the expenses of the 2012 Court Budget. She explained that the overtime expenses for the Court budget is for the police officers working security as well as the clerks that work in the court room and court cashier during court sessions that are held three times per month.

Mrs. Rider stated that the renewal rates from LAGERS for January 1 has been received; general will increase from 7% to 8% and police is from 5.7% to 6.7%. The budgeted increase for dental insurance is 6% and for health insurance the increase is budgeted for 15%. The life and disability insurance will renew November 1, 2011 and a 10% increase was budgeted; however, it is not anticipated to have that much of an increase. An increase in worker's compensation insurance is not anticipated as there has been a decrease in rates the past several years.

There was discussion regarding the salary of the City Collector. It was pointed out that the salary is \$100 per year; most assumed the salary was \$100 per month. The salary has always been \$100 per year. An ordinance would be necessary for an increase and the increase would become effective after the next election.

Alderman Hrastich suggested that the list of projects be forwarded to the Board of Aldermen to determine which projects should be included in the budget. The Board of Aldermen should also make the decisions regarding salaries. In addition, the Board of Aldermen should determine if deficit spending is desired. The members agreed with the suggestions made by Alderman Hrastich.

Mr. Sawicki made a motion to recommend to the Board of Aldermen that the salary of the City Collector be increased to \$100 per month, effective after the next election that will be held April, 2012. Ms. Borawski seconded the motion, and it was unanimously approved.

Mr. Sawicki suggested the consideration of reviewing the salaries of the Mayor and Aldermen and perhaps survey the salaries of the Mayors and Aldermen of other municipalities. It was agreed to survey other cities to see if there should be an increase in salaries.

There was discussion of the projected amount of sales tax in the 2012 Budget. Ms. Borawski stated she feels the projected amount is somewhat aggressive. Mrs. Rider stated that she received information from the St. Louis County Municipal League and the Missouri Municipal League. It appears the trend is an increase in the projected sales tax revenue in 2012.

2011 PROPERTY TAX RATE

Mrs. Rider explained that the assessed valuation of real estate has decreased. If the property tax rate remains the same, the revenue will decrease around \$12,000. If it is desired to be revenue neutral, the residential rate would be raised to .59 or the maximum ceiling rate which would bring in an additional \$15,000. An example of the maximum increase for residential property would be an increase of approximately \$8 per property per year for a \$500,000 home.

Mr. Sawicki stated he feels all rates should be increased to the maximum allowable. Alderman Hrastich commented that he feels the residential rate should remain the same and only the commercial rate should be increased.

Mr. Sawicki made a motion to recommend the 2011 tax rate be set at the maximum ceiling allowed for all categories. Ms. Borawski seconded the motion. Mr. Sawicki and Ms. Borawski voted AYE. Alderman Fribis and Alderman Hrastich voted NAY. There being 2 AYE votes and 2 NAY votes, the motion failed.

AUDIT SERVICES

Mrs. Rider stated she has been approached by a CPA firm expressing interest in providing audit services. She added that she is satisfied with the services provided by Botz, Deal.

The members agreed to issue a Request for Proposals for audit services.

INVESTMENTS

The members agreed to issue a Request for Proposals for banking services.

ADJOURNMENT

Alderman Fribis made a motion to adjourn the meeting at 7:55 p.m. Mr. Sawicki seconded the motion, and it was unanimously approved.

Recording Secretary,



Laurie Sanneman