

MINUTES OF THE REGULAR MEETING OF FINANCE COMMITTEE OF THE CITY OF SUNSET HILLS, MISSOURI HELD ON TUESDAY OCTOBER 25, 2021

Meeting convened at 5:32 p.m.

Place of meeting: Zoom

The Finance Committee of the City of Sunset Hills, Missouri met in open session via Zoom. Chairman, Alderman Joe Stewart, Alderman Fred Daues, Member Mike Fitzgerald, Member Mark Colombo, Member Jeff Camilleri, Finance Director, Susanna Messmer, Assistant Finance Director, Jeff Trentmann, City Administrator, Brittany Gillett, Director of Parks, Gerald Brown, Director of Public Works, Bryson Baker, and Ms. Kelly Snyder with the Police Advisory Board were in attendance.

Absent: Member Mike Sawicki.

Approval of Minutes

Alderman Fitzgerald made a motion to approve the minutes from the September 7, 2021 Finance Committee meeting. Alderman Daues seconded the motion and it was unanimously approved.

Review of the 2022 Budget

Alderman Stewart asked about the Prop P salaries. Ms. Gillett explained the 14% salaries were included in the Prop P presented numbers, however the additional proposed \$100,000 requested by the Police Advisory Board was not yet included for the legacy Prop P funds.

Ms. Messmer introduced Assistant Director of Finance, Jeff Trentmann. She then reviewed the 2022 budget and stated it was the same budget presented in September with a few exceptions.

She explained the expenditures increased by \$22,000. This included some corrections and additions.

- a) Public Safety Salary grade changes
- b) additional training funds
- c) Eliminating a Park Maintenance employee due to outsourcing of mowing
- d) Recreation Assistant salary would be filled and was added back into budget
- e) Benefit rates for FICA and Pension
- f) Capital Outlay- Eddie and Park sidewalks instead of Leebur was more costly by 50,000.
- g) Additional desktops for Public Safety.

Alderman Daues asked for clarification of the full-time salary elimination for Parks mowing. He asked why we are paying more for the outsourcing than the salary. Ms. Messmer explained there were benefits to outsourcing and the thought was it would be tried for one year and changed if not working as anticipated. She explained there were additional costs associated with having the position which included insurance benefits and taxes.

Ms. Messmer reviewed the expenditures associated with the Prop P fund. She explained a 14% base salary, 14% OT, 14% Holiday premium plus associated FICA and pension were included and that no other expenditures were currently associated with Prop P. Ms. Messmer stated it was up to BOA to determine if expenditures requested by the Police Advisory Board should be budgeted.

Financial Statements.

Ms. Messmer reviewed the Financial statements. She explained there was a total fund deficit of 2.5 million. She further explained that the deficit was not as high as it appeared due to the surplus the City had in the previous two years. Alderman Stewart asked about non-departmental expenses. Ms. Messmer explained those were FICA and pension expenses.

Ms. Messmer then reviewed the ARPA funds received in 2021 and those expected in 2022.

Ms. Gillett pointed out the Fund balances, even with the deficits, were extremely healthy and well above the range for the general fund.

Ms. Messmer explained there was a modest 2% growth rate for revenue. She explained nothing was dramatically changing in 2022. Ms. Messmer explained charges for service were increasing dramatically.

Personnel Expenditures

Ms. Messmer reviewed the summary of personnel expenditures and showed a 3% salary increase mid-year similar to 2021. Discussion was had on a merit pool for raises and implementing a merit system instead of giving an across-the-board increase to employees.

Ms. Messmer explained the Pension rate dropped significantly at a savings of \$80,000.00. She explained this was due to unvested employee turn-over and gradual and expected turnover of vested employees.

Alderman Daues asked for clarification on the increase in part time salaries. Ms. Messmer explained the Parks would be back up to 2019 operation levels.

Operating Expenditures

Ms. Messmer explained nothing was out of the ordinary with the regular operating expenditures.

Alderman Daues asked if the debt service could be set up as a separate section for clarification. Ms. Messmer replied yes.

Ms. Messmer explained Pool expenses were on the rise due to a number of factors;

1. Restroom repair
2. Concession & recreation supply expenses due to operating at full service
3. Swim & Dive operating expenses due to operating at full service.

Ms. Messmer reviewed the expenditures by department. She stated the allocation of expenses to the funds are the same as 2021.

There was discussion on the debt service information being pulled into a format for the Finance Committee. Mr. Trentmann informed Ms. Messmer and the Committee that he had prepared a debt lead sheet for review. Ms. Messmer reviewed the payoff information for each. There was additional discussion on the existing interest rates.

Review of the 5 Year Capital Plan

Ms. Messmer reviewed the data provided for each department. She explained the 2022 amounts would tie into the data in the fund balance sheets.

General Government and Court;

basic office equipment

PW;

2 ARPA requests

1. City Hall building reconfiguration
2. new AV equipment in the Chambers

There was discussion on other items listed for purchase. Member Fitzgerald asked about costs associated with the dump truck chassis. Mr. Baker explained the costs were accurately reflected.

Ms. Messmer explained additional costs indicated for ARPA funds included Eddie and Park sidewalks, the Kennerly and Old Gravois Road intersection as well as the storm water intake grates at that location.

Public Safety

4 new police vehicles

Discussion was held on the cars for purchase and their outfitting.

Parks & Recreation plus Pool

Discussion was held on Rock Alva Trail and Gempp Conservation Area were. Mr. Brown gave background on both.

Prop P Funds

Discussion was held on the additional \$100,000 expenditures requested by the Police Advisory Board proposed for Public Safety that would be a charge to the general fund.

Prop P revenue is scheduled to begin accumulating in January 2022. The additional money would be allocated to the legacy Prop P fund. Discussion was held on the schedule of expenses.

Ms. Gillett explained that a motion was needed to recommend approval to the Board.

Alderman Daues made a motion to propose the 2022 Legacy Prop P funds expenditures to be allocated based upon the \$99,950 towards the general revenue fund. Member Colombo seconded the motion and it was unanimously approved.

Ms. Gillett stated it would be built into the budget and would be presented to the Board at the November meeting.

Ms. Messmer asked if the Bander Trails plan would be included in the 5-year Capital Plan.

Discussion was held on when to include the project.

Member Colombo made a motion to approve the planning process for Bander Trails to be added to the Capital Plan budget in 2023. Alderman Daues seconded the motion and it was unanimously approved.

Other Matters

Discussion was had on the proposed Fund Balance policies detailed in the previous Finance Committee meeting. Ms. Messmer stated she was looking for direction from the Committee to formalize the policies to the Board of Aldermen.

Alderman Daues made a motion to direct staff to write the language for the Fund Balance Policies to present to the Board. Member Fitzgerald seconded the motion and it was unanimously approved.

Ms. Messmer discussed implementing a 5–8-year forecast for the City to be able to understand revenue and see where the risks and opportunities lay in the near future. She explained with inflation and the

Park Storm Water tax sunseting in 2028, there was uncertainty with knowing how the use tax would play out. She stated she would like to layout scenarios and spend additional time on analytics and research. There was general consensus that she should move forward with forecasting and research.

Ms. Gillett explained the Police Advisory Board would like to move the Communications Officers from a grade 5 to a grade 6. She explained this was more in line with other municipalities.

Member Colombo made a motion to make the appropriate changes in the Budget and Pay Scale plan to move the Communications Officers from a Grade 5 to a Grade 6 on the pay scale. Member Camilleri seconded the motion and it was unanimously approved.

Alderman Daues asked about a presentation from Arbitrage Management. Ms. Gillett explained Mr. Lukens would be attending a meeting in the near future to make his presentation.

Alderman Daues then asked about doing a transparency portal as referenced in a previous Board meeting. Ms. Messmer replied they could do updates on an annual, quarterly or monthly basis. She explained with the additional help from Mr. Trentmann they could potentially have for December. There was additional discussion on having a quarterly financial update in the newsletter as well. Alderman Daues asked Mr. Trentmann to research the portal based on the examples Des Peres and Crestwood currently had.

Ms. Gillett stated a recommendation from the Committee for approval of the budget was needed to move forward.

Member Fitzgerald made a motion to recommend the proposed budget for approval to the Board of Aldermen. Alderman Daues seconded the motion and it was unanimously approved.

Adjournment

Alderman Daues made a motion to adjourn the meeting. Member Fitzgerald seconded the motion and it was unanimously approved.

Meeting adjourned at 6:52 p.m.

Deputy City Clerk- Lori Stone