

MINUTES OF THE REGULAR MEETING OF FINANCE COMMITTEE OF THE CITY OF SUNSET HILLS, MISSOURI HELD ON MONDAY MAY 24, 2021

Meeting convened at 5:31 p.m.

Place of meeting: Via Zoom.

The Finance Committee of the City of Sunset Hills, Missouri met in open session. Chairman / Alderman Joe Stewart, Member Mark Colombo, Member Jeff Camilleri, Alderman Fred Daues, Member Mike Fitzgerald, Finance Director, Susanna Messmer, City Administrator Brittany Gillett were personally in attendance. Absent: Member Mike Sawicki

Approval of Minutes

Member Fitzgerald made a motion to approve the minutes from the April 26, 2021 Finance Committee meeting. Member Colombo seconded the motion and it was unanimously passed.

Proposed Commitment of Crestwood Dispatching contract revenue to Police Department

Ms. Messmer explained the revenue collected for the Police Training fund, must be applied to training, and explained the same restrictions applied to the Drug Forfeiture fund as well.

Mr. Fitzgerald asked if this was regulated by State Statute. Ms. Messmer replied she wasn't sure if it was in the statutes but it was from the State of Missouri. Those two sets of proceeds are from the State of Missouri and are restricted.

Ms. Messmer stated if we do this Resolution for restricting proceeds from the City of Crestwood contract, then we have to define the purpose of doing so. Ms. Messmer stated several things to be addressed.

- 1) What is the nature of the expenditures that will be applied to these proceeds?
- 2) What happens when the contract is terminated?
- 3) Does the purpose of this restriction then fall away?

For example, if we were going to give a salary increase or purchase something in particular. When the contract terminates, do we stop doing that?

Alderman Stewart stated he felt it would be difficult to say this would go to a salary increase. He stated if and when this contract would go away, it would be difficult to retract something allocated in perpetuity when this could very well end. He stated he felt the goal relayed by several of the Alderman was to provide this funding to the PD.

Alderman Daues stated by his recollection, the resolution was proposed by one Alderman, and never really received a vote. He stated he was unsure how many Aldermen fully understand how this money would be set aside. He explained he was not against it and was still looking into it the specifics and had asked for some cash flow analysis to be provided by Ms. Gillett. He also stated he felt this fund, if set aside, would generate substantial additional funds over and beyond salary increases.

Alderman Stewart replied he was not sure if this would even get out of this committee because we still need to get to a purpose on how this money would be allocated.

Ms. Gillett stated she believed the intent of the Aldermen who requested the Resolution was to allocate the funding for the PD. She asked Ms. Messmer if we needed to further specify, what in the department, it is to be used for. She stated it became a comment about salaries, which Alderman Stewart brought up.

Member Colombo asked if we could just put the money in the General Funds. He asked if this was stipulated to the pay scale/matrix. He stated the two should be separated and the monies should go into the general fund.

Ms. Gillett stated the idea is certainly that it will help cover the additional expense incurred when we do increase those police wages. Those are also drawn from the general fund.

Member Colombo stated he wasn't trying to "pigeonhole" the salaries. He stated it should just go to general fund, and if you choose to use it for the salary increase as part of the matrix it would be there regardless of any changes to the agreement.

Aldermen Stewart stated he did not know if tying it to officer compensation was the right way to do it.

Member Colombo clarified he would not do that.

Aldermen Stewart stated he was concerned that a non-perpetual income would be allocated to a perpetual expense, specifically the salary increases. He stated he felt they still needed to get back to the purpose of what this Resolution was for. Alderman Stewart asked if this would normally go into the general fund, Ms. Messmer confirmed yes. Aldermen Stewart stated he understood the resolution to be a means to earmark the money for the Police Department. He stated that he, like Alderman Daves, was not fully sold on the idea.

Alderman Daves stated he felt what Mr. Colombo suggested was extremely common sensical and he could support that.

Alderman Stewart asked Ms. Gillett if the Board was looking for a recommendation from the Finance Committee as to what they can do? He stated he heard a bunch of things that aren't going to work the way originally proposed, and asked if it was their job to come up with something that could work.

Ms. Gillett stated it was not, however if they had an idea, they could bring something forward. She stated the revenue would certainly help cover those costs, but that the Committee could come out with a recommendation that stated they did not recommend that this money be earmarked.

Member Colombo agreed with that. He stated he felt it should not be earmarked for the Police Department. He stated it should be placed in the general fund and it could be distributed to the P.D. via the direction of the Board, Mayor and Directors.

Member Fitzgerald asked who was going to be doing all the work and was it the Police Department who would be doing all of it? Ms. Messmer replied all the accounting work would be done by her. Member Colombo replied the dispatching service did not add any new personnel and they should easily be able to cover both. Member Fitzgerald asked Mr. Colombo if he was saying there was a nominal cost involved. Member Colombo confirmed "Yes, no cost really", with exception to additional calls taken.

Member Fitzgerald stated that then they have a profit-sharing issue on their hands, or a profit center. Ms. Messmer agreed and stated that opened up a whole other issue. Member Colombo stated it was not fair for one Department to do the work and then keep the money for their department exclusively. He stated we were a city and supposed to all work together. Alderman Daves stated he agreed with Member Colombo, and offered an additional scenario of the Park Department making \$50,000.00 over and above its expenses. He asked if we would then say it only could only be spent in the Parks system? Ms. Gillett stated that all money would be allocated to the general fund, correct? Ms. Messmer confirmed that was correct. She stated she felt this was the same logic as saying that this contract should be restricted for just one department.

Member Colombo asked Chairman Stewart if they needed a motion for that and how he would like to proceed. Chairman Stewart stated he would start with one comment and if you all agree than we can make a motion. Due to 2 primary reasons

1. The inability to meet the requirement for naming a purpose for the expenditure
2. The concept of earmarking non-perpetual revenue source for a perpetual expense

Member Colombo made a motion that revenue go to the general fund and not be earmarked for any specific department. Alderman Daves seconded the motion and it was unanimously approved.

Member Colombo asked for an update regarding the Police pay matrix and Ms. Gillett shared that.

Alderman Stewart stated that as this was a recommendation coming out of their committee and the Board can still do what it wants to do, he stated he would like their rational listed in the minutes

Ms. Gillett stated she would also include the information in her cover page for the Board action items. Alderman Stewart thanked Ms. Gillett.

Alderman Stewart asked if there were any additional comments or thoughts on the dispatching contract issue.

Other Matters

Ms. Gillett stated she and Ms. Messmer would like to have a Board Budget Work Session the 4th Tuesday in June which would require the Finance Committee meeting the week prior. She asked that they consider a mid-June meeting instead of end of month meeting. This would ensure they could bring forth any budget adjustments mid-year.

Alderman Daues asked if we would be meeting via Zoom. Ms. Gillett stated the Mayor had been out of town and would more than likely bring it up at the next Department Head meeting. She stated she would keep everyone posted.

Ms. Gillett stated the City received notification that our use tax would be implemented on July 1, 2021. She stated they were able to process it through the Department of revenue earlier than anticipated.

Adjournment

Member Colombo made a motion to adjourn the meeting. Alderman Stewart seconded the motion and it was unanimously approved. Meeting adjourned at 5:50 p.m.

Deputy City Clerk- Lori Stone