

WAYS & MEANS COMMISSION MINUTES
CITY OF TOWN & COUNTRY, MO
April 30, 2021
Via Zoom Videoconference
8:30 AM

Given the current public health crisis, various emergency meeting declarations, and in accordance with the provisions of Sec. 610.020, RSMo., this Ways and Means Commission meeting was held via Zoom videoconference and streamed live to YouTube. Public comments on agenda items were solicited via email. Real-time public viewing of the meeting was made available via the City's website at www.town-and-country.org.

MEMBERS:	<u>Ward 1</u>	<u>Ward 3</u>
Alderman Sue Allen, Chairperson	Randi Weber	Hans Fredrickson
Mayor Charles H. Rehm, Jr.	Bob Aikin	John Wichlenski
Finance Director Pam Reitz	<u>Ward 2</u>	<u>Ward 4</u>
City Administrator Bob Shelton	Oz Conrad	Bob Proost (Absent)
	Michael Goldberg (Absent)	Don Roberts
		Janine Fabick (At-Large)

OTHERS PRESENT:
Communications and Administrative Assistant Morgan Kuepfert, City Planner Ryan Spencer

1. Call to Order

Alderman Allen called the meeting to order at 8:30 a.m. and the roll as noted above was taken. There was a quorum.

Mayor Rehm introduced himself to the Ways and Means Commission and stated he is excited for the next four years and to work with the Commission.

Janine Fabick also introduced herself and gave a brief background. She stated she is thrilled to be a part of the Commission.

2. Approval of Agenda

Mr. Aikin moved approval, seconded by Mr. Fredrickson and approved.

3. Approval of Minutes from April 30, 2021

Mr. Fredrickson moved approval, seconded by Mr. Conrad. The minutes were approved pending the correction of the spelling of the audit firm Hochschild Bloom.

4. Selection of a Vice Chairman

Alderman Allen recognized that Jeff Parrotte was previously serving as Vice Chairman, and was recently elected as Alderman in Ward 4. Alderman Parrotte noted that it has been a pleasure serving on the Ways and Means Commission. Alderman Allen requested that the Commissioners consider volunteering to serve as Vice Chairman, and the topic will be placed on the agenda at the next meeting.

5. Annual Review of the Investment Policy

Ms. Reitz distributed the investment policy to the Commissioners. She stated that no changes have been made since 2019, but wanted to query the Commission on any opinions, changes, or modifications they may have. In response to questioning, Ms. Reitz explained that there is no limit on the dollar amount that each broker manages, but that any investments have to be federally insured, which is why the CD's are always under \$250k.

Following additional discussion, Mr. Conrad moved to approve the current policy, seconded by Mr. Fredrickson and approved.

6. Update on State Audit Petition

Mr. Shelton stated that the petitioners obtained the required amount of signatures and the State has certified those and sent the City notification of the same. He noted that he has contacted the State Auditor's office regarding a start date, but there was no information at that time.

Discussion was held relating to the scope of the audit. Mr. Shelton explained that it could be extremely broad but the actual scope is determined by the State Auditor's office. He also noted that the estimated cost is \$130,000 and may take up to 18 months to complete.

In response to questioning, Mr. Shelton stated that the Public Works Director position remains open and the City has a consulting engineer available contractually if needed.

Ms. Fabick inquired about the annual audit, and Ms. Reitz explained that it is close to completion and the plan is to present at the end of May.

Ms. Weber inquired about why the City was doing the Performance Audit with Management Partners alongside the State Audit. Mr. Shelton explained that the Board authorized the contract with Management Partners due to their specialty in Public Works Performance Management and they will look specifically at the Clayton/Ballas project, Town Square and the Mason Road project.

7. Preliminary 2020 Ending Financial Data

The preliminary information was distributed to the Commissioners, and Ms. Reitz noted that all audit information would be finalized and sent to the auditors by May 10 so that the

financial audit would be completed by the next Commission meeting.

Ms. Reitz noted that just over \$1MM was added to the overall fund balance at the end of 2020. She further explained that a lot of projects were postponed and expenditures were greatly reduced. Additionally, she stated that revenues were reduced but not as much as expected, with the City collecting roughly 93%, which is a \$1MM reduction. The \$1MM reduction includes the CARES grant revenue, and had the City not received this \$734,000 grant, the revenues would have been down closer to \$1.5MM.

Mr. Fredrickson inquired if the City is expecting any additional grant funds or assistance monies. Ms. Reitz explained that it is possible, and that the American Rescue Plan is a new act that the City may benefit from, and based on calculations from the Missouri Municipal League, the City would receive a little over \$2MM, but that would be over a four-year period. Finally, Ms. Reitz noted that at this time, there are not enough details to know what the City will be able to claim, but it would have to be expenses or revenue reductions related to the pandemic. She noted that it was unclear whether or not sales tax losses could be used.

8. Fire/EMS Task Force Update

A summary of options discussed by the Task Force was distributed. Mr. Shelton stated that the information is preliminary, but the Task Force requested feedback from the Ways and Means and Police, Fire and EMS Commissions. He requested any feedback be submitted in writing to both him and Alderman Allen by May 13, 2021.

Mr. Shelton briefly reviewed all seven (7) options, which included all capital costs, one-time costs, cost to the City, estimated tax rates and estimated costs to the residents. He noted that after the building and land were paid off (15 year financing at 3.2%) that the tax rate and costs would reduce.

9. Management Partners Public Works Audit

This item was previously discussed under Agenda Item 6.

10. Business License Survey

Previously, the City compiled and compared business fee information to eight (8) other peer cities. That data has since been updated and was distributed to the Commission. Business fees are composed of property taxes, fire tax, utility tax and license fees. Mr. Spencer noted that between 2009, when the information was originally analyzed, and now, Town and Country is much more comparable, noting that taxes have increased for other cities, while Town and Country still does not have certain taxes.

11. Local Use Tax

The Use Tax applies to business-to-business purchases, internet sales, and sales tax but for items that don't apply to the typical sales tax. Mr. Shelton explained that several cities are putting the Use Tax on the ballot for their local city taxes. He further noted that some cities are choosing to wait until the State Wayfair tax legislation is passed before they ask their residents to vote on a local Use Tax. Mr. Shelton explained that the majority of Town and Country's sales tax revenue is generated by the 1% general sales tax charged by the County, so the County would have to pass a Use Tax before the City could collect any of the 1% sales tax.

12. Liquor License Code Change

Mr. Shelton stated that Town and Country is right in line with peer cities with regard to the fees. He stated that Sunday licenses were reviewed, and currently require that 50% of sales or more than \$200,000 is required to obtain a Sunday By-The-Drink Liquor License. Mr. Shelton queried the Commission on their thoughts on relaxing the requirements for this specific license. Following discussion, Mr. Conrad moved to relax the restrictions for this license with regard to food sales, seconded by Mr. Wichlenski and approved.

13. Economic Update

Mr. Spencer distributed a memo to the Commission. With regard to the 2020 Sales Tax Data, it was noted that the City was only down about 15% for 2020 at the highest point. Mr. Spencer also noted that five (5) new retail businesses are projected to open by the third quarter of 2021, stating that there is only one 900 square foot space available at Blacksmith Grove.

With regard to building permits, Mr. Spencer noted that commercial permits were down in 2020, but that as of April 13, 2021, 26 commercial permits have already been issued. Residential permits have had very little change due to the pandemic, noting that 23 were issued in 2020, and 15 have been reviewed so far in 2021 with four (4) permits issued.

14. Adjourn

At 10:04 AM, Mr. Conrad moved to adjourn, seconded by Mr. Aikin and approved.