

**CITY OF BRENTWOOD
WAYS AND MEANS COMMITTEE MEETING MINUTES
APRIL 5, 2018**

CALL TO ORDER:

Alderman Dimmitt called the Ways and Means Committee Meeting to order at 6:01pm.

ROLL CALL:

Interim Deputy City Clerk Gina Williams performed roll call:

Alderman Dimmitt – Present

Alderwoman O’Neill – Present

Alderwoman Sims – Present

Alderman Wegge – Present

APPROVAL OF AGENDA

Approved by acclamation.

APPROVAL OF MINUTES

March 20, 2018 Minutes are approved as amended.

PUBLIC COMMENTS

City Administrator Akande introduced newest staff member Jackie Williams and thanked the Committee for approving the request in the current budget.

COMMENTS BY COMMITTEE MEMBERS

None

CHAIRMAN’S COMMENTS

None

BID OPENING/SELECTION

None

PUBLIC HEARING

None

PRESENTATION

None

UNFINISHED BUSINESS

Discussion on Amendments to the Vehicle Replacement Policy – On Hold

Presentation of the Fleet Utilization Analysis – On Hold

MONTHLY FINANCIAL REPORT

January and February 2018 – Finance Director Shaw stated that her staff are finalizing the January and February financial reports. Finance Director Shaw presented the Committee with the General Fund Revenue report. She recommended conditional reformatting the report and the Committee accepted. Alderman Wegge inquired about the timeline for the new system to assist with the accounting and Finance Director Shaw stated that IT will be implementing it in the next month or so.

NEW BUSINESS

Discussion in General Fund Revenues – Alderman Dimmitt requested that we take a look at the current revenue amounts following up to last month's meeting. Alderman Dimmitt stated that he compiled a three-page document containing three portions: history of 2017, projection of 2018, and summary of questions, issues, comments, etc. Alderman Dimmitt stated that the 2017 General Fund Budgeted Revenue is \$11,803,000 with expenditures of \$11,500,00 and a budgeted surplus of \$270,000. In 2016, the Committee instructed staff to factor a zero-sales tax growth and Alderman Dimmitt stated that it seems to be working because as of Fall 2017, the projections indicated that the City was on pace to hit the targeted General Fund Revenue goal. Alderman Dimmitt also stated that projected expenditures in Fall 2017 were \$10,745,000 with a hopeful trending surplus of \$2M with all combined funds. In March, the City received revenue, majority of it in sales tax, and instead of \$11,804,000, it was \$11,240,000, with a decrease difference of \$560,000. Also, expenditures were higher than anticipated at \$11,174,000 for a surplus of \$65K. Alderman Dimmitt stated that we went from a project surplus in the Fall of \$1,056,000 to \$65K. He also stated that the reason for that is revenue is down and expenditures are more than expected and finds this very concerning. Alderman Dimmitt stated that \$878,000 was accrued in revenue in 2017. The General Fund is the largest of the funds and 75% of the revenues is generated from all different types of taxes. In comparison to 2016, there is a net decrease of \$28,000 in tax revenue. Finance Director Shaw stated that business licenses were on schedule to be received above budget; however, by the end of the year, they had not been received. She also stated that what is received after February 15 are licenses that are late, penalties, etc. Alderman Dimmitt stated that, in summary, the General Fund Revenue was down \$200,000 compared to the prior year. Twenty-eight thousand dollars of the amount is due to a decrease in overall tax revenue. Alderman Dimmitt stated that in 2018, the Committee is projecting the budget for the General Fund Revenue to be \$12,200,000 with projected expenditures to be \$12,088,000 with a surplus of \$118K. Alderman Dimmitt stated that this projected budget is based on various assumptions, mainly that the sales tax revenue is going to be \$5.6M and revenue generated on Proposition P at \$443K. He stated that the General Fund continues to be over-projected and the budget continues comes in short. Alderman Wegge inquired about the sales revenue projections and Alderman Dimmitt stated that it's been short the last two years. Alderwoman O'Neill inquired about the seasonal sales tax income and Finance Director Shaw replied that vendors have 30-60 days to report it. Alderman Dimmitt stated that it may take time to adjust the projections, accordingly. City Administrator Akande stated that there are a number of different factors that need to be considered. She stated that there are five different taxes that are generated for the city, which are shared with other cities. She stated that a conference call took place with the St. Louis County Treasurer to inquire about the logarithm for all the different municipalities within the County and looking at glitches in a new implemented system. City Administrator Akande also stated that business vacancies in the City contribute to the volatility of sales tax revenue. Alderman Dimmitt stated that he continues to see a decrease in

the General Fund Revenue and inquired about adjusting budget projections. City Administrator Akande stated that there are a number of variables throughout the year that affect the numbers. Alderman Dimmitt stated that implementing a budget amendment now that reflects a true number on sales tax revenue is a good idea. Alderwoman O'Neill stated that it is a good idea to be prudent and realistic now rather than later. Finance Director Shaw stated that a budget amendment would have to be on the expenditures side. City Administrator Akande would like to conclude the conversation with St. Louis County and then determine if there any anomalies, then implement a budget amendment and the Committee agreed.

Presentation of the Donations, Sponsorships and Facility Naming Policy - Parks & Recreation Director Gruenfelder presented to the Committee a recommendation that the City of Brentwood adopt a Donations, Sponsorships and Facility Naming Policy. As the City, as well as other organizations such as the Brentwood Century Foundation, seek alternate funding to supplement the City's Annual Budget, a donation, sponsorship and facility naming policy should be established to ensure that those gifts keep with the mission, philosophy and policies of the City of Brentwood occur within an ethical framework that preserves the integrity of municipal making processes. Staff took the framework of the Donations, Sponsorships and Facility Naming Policies that were written and approved by City Attorney O'Keefe for a neighboring community and tailored it for the City of Brentwood. Staff recommends the Ways and Means Committee approves the adoption of a Donation, Sponsorship and Facility Naming Policy and forward to the Board of Aldermen for their approval. Alderman Dimmitt inquired about the achieved goals for this policy and Parks & Recreation Director Gruenfelder stated that it is a policy that will tailor the City's framework.

Alderman Wegge made a motion to forward it to the Board of Aldermen for approval. Alderwoman Sims seconded the motion. A favorable unanimous voice vote was taken.

ROLL CALL

Alderman Dimmitt -Yes
Alderwoman Sims -Yes
Alderman Wegge -Yes
Alderwoman O'Neill - Yes

Motion Passed.

Discussion on Amendments to the Fund Balance Policy – City Administrator Akande stated that no action is required of the Committee today. Per a conversation with the Credit Rating Agency, she recommends adding a statement to the policy indicating when reserves will be restored within a certain timeframe.

Discussion on Amendments to the Debt Management Policy – City Administrator Akande recommends adding a statement that indicate what percentage of the different investment vehicles will be invested in. Per the recommendation of the Credit Rating Agency, the percentages need to be very specific.

ADJOURNMENT

Aldерwoman O'Neill made a motion to adjourn at 7:05pm. Alderman Wegge seconded the motion. A unanimous voice vote in favor was taken.

Next Meeting May 3, 2018