

Thursday, February 2, 2023
WAYS AND MEANS COMMITTEE

MINUTES

A. Call To Order Chairwoman Sims called the meeting to order at 5:33 PM.

B. Roll Call – All members were present:

Alderswoman Sims – Present Alderman Gould – Present
Alderman Shelton – Present Alderswoman Tice - Present

Other persons in attendance included: Jason Kotz (Human Resources Manager), David Fairgrieve (Building Official), Ronnie Cottrell (Fire Chief), Joe Spiess (Police Chief), Jim Mc Intyre (Police Major), Eric Gruenenfelder (Director of Parks and Rec.), Dan Gammersheimer (Director of Public Works – VIRTUAL), Bola Akande (City Administrator), Kelle Silvey (Deputy City Clerk).

2. APPROVAL OR AMENDMENT OF THE AGENDA

A. Approval Or Amendment Of The Agenda – Agenda was approved by Acclamation.

3. REPORT OF COMMITTEE CHAIR AND ALDERMEN

- A. Chairwoman Sims - No Report
- B. Alderman Gould - No Report
- C. Alderman Shelton - No Report
- D. Alderswoman Tice- No Report

4. CITY ADMINISTRATOR REPORT

A. 2022 Audit Timeline

City Administrator and staff met with Andrew Zebell, (Principal at CLA) to review the 2022 Audit Statement of Work and timeline and agree to a plan of action. (See plan available in BoardDocs). This timeline is on target and on schedule with what was communicated to the committee in October of 2022. Three documents have been signed – one for outsourcing of work for accounting functions, one for statement of work for the audit, and one for the master services agreement.

We also have a temporary employee in finance to help with the daily work and preparatory work for the audit.

B. Investment Report

Brad Lukens (AMG) shared the Short reports for December and January and the Executive Summary. (Reports are available in BoardDocs). He stated that interest rates are still at the highest they have been since 2007. He noted that the funds that were adjusted to earn higher rates are showing the fruits of that decision and are doing great. He commended the City Administrator for being available and for working to do what is needed to make things happen.

C. Reserve Fund Valuation - Certificates of Participation Series 2014, 2017, 2018, 2019 Debt Service Requirement

The City Administrator shared that the city's Trustee, UMB is required to calculate each Certificates of Participation Series Debt Service Reserve valuation per the requirements in the Trust Indenture documents and if the value of any investments is computed at the market value and determined to be lower than the purchase price, or principal amount, excluding accrued and vested but paid interest, the city has 90 days to replenish the investment.

All four of the DSR valuations are under the requirement.

City Administrator would like to transfer monies from the General Fund, Fund Balance to replenish each of the DSR's. She communicated with Mark Grimm, the City's Bond Counsel, who agreed this is necessary to make them whole.

Motion was made by Alderswoman Tice and seconded by Alderman Shelton to allocate funds as described to comply with certificates of participation. Roll Call:

Alderswoman Sims – yes Alderman Gould – yes
Alderman Shelton – yes Alderswoman Tice - yes

Motion carried by a vote of 4 (yes) to 0 (No).

D. Electronic Service for Case Number GR-2022-0179 – Order to Provide Notice to Cities and Counties of Gas Rate Increase as Required by Section 393.275.1, RSMo

This proposed Bill is for an ordinance reaffirming the gross receipts tax to be imposed upon utility corporations conducting business within the City of Brentwood. The City currently receives revenues based on Spire's gross receipts for gas corporation service multiplied by 7 and one half (7 ½) percent for non-domestic usage and zero (0) percent for domestic usage.

On January 4, 2023, Spire Missouri was approved for a rate increase. Based on our calculation, since we do not see where they spell out the specific percentage of the rate increase, it looks like they are estimating a 8% increase in Brentwood's GRT revenue. RSMo 393.275 says that tariff increases approved by the Public Service Commission that are above 7 percent require municipal utilities to either:

Adopt their gross receipts tax rate on the utility, (of which we are not sure of the percentage increase) or

Approve an ordinance to maintain the current utility tax rate, if they pass an ordinance maintaining the current rate within 60 days of the rate increase.

The recommendation is for the City of Brentwood to maintain the tax rate of its business license tax on the gross receipts of utility corporations at seven and one half (7.5%) percent.

Alderman Tice asked if this is an additional tax on the businesses or has Spire already increased rates and we take out of what was already paid to Spire. Businesses will be paying more, and our tax will be included in what they pay. The Net result is we would be taking more.

Motion was made by Alderman Gould and seconded by Alderman Tice to maintain the tax rate of its business license tax on the gross receipts of utility corporations at seven and one half (7.5%) percent and present to the Board of Aldermen. Roll Call:

Alderman Sims – yes

Alderman Gould – yes

Alderman Shelton – yes

Alderman Tice - yes

Motion carried by a vote of 4 (yes) to 0 (No).

E. Financial Statements for November 2022

City Administrator presented the Revenue and Expenditure variance analysis for both November and December since we did not meet in January. (Detailed documents are available in BoardDocs). She noted it is all good news. Key revenue sources continue to outperform the adopted budget projections for 2022. General Funds are seeing an average of 6.6% to 6.8% increase in sales tax.

The situation with St. Louis County remains unresolved. There was about \$1.6 Million we held back awaiting documentation that never came. We did not invest that money. It is sitting in bank account.

The Financial Institutions Act is on the chopping block with a Bill at the State. The revenue we receive from that has grown over last year or two. All cities may lose that financial institution tax if this Bill passes.

Revenues-

The County Public Safety tax also exceeds budget and we've seen a steady increase in this revenue since inception.

One of our best performers is the Use tax. We have seen an \$800,000 increase from what we had budgeted, and it continues to do really well.

Utility taxes, Occupational licenses and even liquor licenses (have two new restaurants in town) have been good as well.

Fees from the Building department – seeing a lot of new houses and in-fill in town. A slight drop off in Recycling, so need to consider remind residents of the benefits.

November and December revenue performance is all good news. Because we are outperforming budget, we are adding to the fund balance. Same applies for Capital and Economic Development and Stormwater sales tax. The department has done great in generating significant increase in revenue for recreational fees.

Reminder that at the Ways and Means meeting in December, we recommend paying off more of the loan to the general fund, before the sewer lateral program was changed. The initial \$18,000+ that was budgeted has been transferred, but there is a total of \$96,000+ that Board authorized to transfer, that will take place when we do the budget amendment.

Alderman Tice asked what Intercity Joint services is, and City Administrator said she would confirm and let her know.

Alderman Shelton asked about Financial Institution tax was only \$42 in 2021 and \$34,000 in 2022. City Administrator did not think this looked correct and agreed to confirm this information as well.

Expenditures -

In most areas we are staying within the budget, but there have been cost overruns in key line items, such as overtime expense for Police, which was explained and approved. In Sanitation, we lost staff and had to compensate with higher paid employees, There were also overages in festival entertainment, etc., Administrative legal fees, Audit overruns (due to doing two audits in one year), IT services, Petroleum costs and Salt/road cleaning. Feel we are better prepared in 2023 to address these overages.

There are significant savings in Capital.

Police vehicles are in, awaiting accessories to be installed.

We did not spend all money on Russel Ave project, so we were able to purchase Drone and tire equipment.

Alderswoman Tice asked if we had solved the issue with sanitation drivers. Jason Kotz addressed the committee and responded that rate increase helped, and we are currently fully staffed.

Dan Gammersheimer shared that cost overages in petroleum are due to gas price increases and poor MPG for diesel trucks. He also noted that of the materials we recycle, we do a really good job - and most all is taken for recycle.

Alderman Gould asked if the overtime was just a one-time situation, or if we need to adjust moving forward. It was determined that while this tends to be more situational, both Chief Spiess and Chief Cottrell feel that the amounts budgeted can be managed sufficiently.

It was asked where we are in the hiring process for Finance Department, and it was noted that we hired SGR and they have done stakeholder interviews with staff and prepared a packet of information and pamphlet to be handed out. SGR will do initial review of applicants to cull out best prospects. We are on track to try and hire someone by April. The Temp employee hired is helpful in keeping current with daily procedures and is helping to prepare for audit.

F. Financial Statements for December 2022

Discussion of this item was rolled into item 4E above. (Detailed documents are available in BoardDocs).

G. Quarterly ambulance fee write-offs

Fire Chief Cottrell presented the 4th quarter report information, stating this is consistent with other quarters in 2022.

Motion was made by Alderswoman Tice and seconded by Alderman Shelton to approve the ambulance fee write-offs and present the information to the Board of Aldermen. Roll Call:

Alderswoman Sims – yes Alderman Gould – yes
Alderman Shelton – yes Alderswoman Tice - yes

Motion carried by a vote of 4 (yes) to 0 (No).

H. EMS/MC rate hike for 2023

Chief Cottrell reported that the rate hike for 2023 is moving from 7.61% to 7.99%, and that this is consistent with other customers in the area. He noted this our last year in contract with them, and while we have received great service, we will be required to do a new RFP (Request for Proposal).

I. MOGEMT FY22 revenues

Chief Cottrell informed the committee of the Fire Department’s participation in the MoGEMT program. It was reminded that this is a voluntary program that allows for the reimbursement of uncompensated costs to eligible GEMT providers who provide qualifying emergency ambulance services to Department of Social Services, and MO HealthNet participants. The program is only reimbursing costs directly related to Medicaid patients. There is no cost to the city or residents by participating in this program. Estimated reimbursement expected after State and Consulting fees are taken is \$102,874, in comparison to \$56,000 in the past year.

5. CONSENT AGENDA

A. Minutes Approval

Motion was made by Alderman Gould and seconded by Alderman Shelton to approve the meeting minutes from December 1, 2022.

Motion carried by unanimous voice vote,

6. OLD BUSINESS

A. FEMA Reimbursement Update

The Parks and Recreation Director gave an update, stating we are in step 11 of 13 steps, but this is the longest and most time-consuming step in the process. He shared the information on Categories A through G.

A=City Wide Debris Removal – Public Works and Parks did this – It is completed and submitted to FEMA for their review. They had one question regarding permits from the dump site, and we are waiting on an answer before funds will be obligated to city.

B=Protective Measures -This is the overtime cost for Police and Fire and equipment used in flood event. This has been completed and submitted. We have been told funds have been obligated to the city and are awaiting those from SEMA.

C=Roads and Bridges – We are still working on sidewalk estimate for Rosalie, and once received it can be completed and submitted.

D= Water Control -This is mostly Brentwood Bound. Has been lots of time with this. The PDMG believes that soft costs related to the floods from the construction manager, engineer and City attorneys should be reimbursable. Other expenditures are contractor's costs. We will not get as much as had anticipated. This is under review now, and expectation is it will take a while.

E= Buildings and Equipment- Water damage at City Hall has been submitted for review. Fire dept. equipment and Police electronic speed sign has been submitted for review. Parks equipment is being determined if this equipment is in category E or G. FEMA will determine. Regarding 2818 Breckenridge Industrial, we are still working on what can be reimbursed.

G=Parks and Recreation - Lots of damage, so working with FEMA to decide if it will break up Category G into multiple projects (most likely by park), in order to finalize the project request and submit it to FEMA for review. Question is whether we must be done with project before we can request reimbursements or if we can take quotes.

Categories A&B had to be done by February 2023, and we have completed those and submitted already. We have until next February (2024) to get everything else done. It is a slow process. Staff continues to meet regularly to complete the request and has created a revenue and expenditure tracking sheet specifically for the July 2022 flood event (available in BoardDocs).

We did get money from Chubb (insurance carrier) for park damages, and some equipment.

We have received more money than we have spent on projects – to date – and we spent from operations fund balance for some of this last year, so any extra will go back to replace that balance. In good shape right now. We should get 75% from FEMA, 10% from SEMA, leaving us with the 15%, of which some is the money from Chubb, and some is money received for staff time that can maybe help cover this percentage. We are working to get everything back to original state without costing the city too much money.

Alderwoman Tice noted this is a massive project to organize and a lot of money to be reimbursed and wanted to Thank the Director for handing this.

7. NEW BUSINESS

A. City of Brentwood Table of Permit Fees for Planning and Zoning Commission, ARB and Board of Adjustment

Building Official David Fairgrieve presented information from the Planning and Development Department on seeking an increase to the City's fees to be more in-line with surrounding cities, and to assist in covering costs for the Boards and committees, along with inspection costs to cover for Gonzalez if it exceeds 2 reviews, and also a 3% processing fee for credit card transactions.

Alderwoman Sims noted that this information was presented to Public Works and three members of this Ways and Means Committee also sit on Public Works. There were no questions, but it was noted that the Stormwater approval information was added after the initial Public Works presentation.

Alderwoman Tice inquired about the cost to the homeowner to have someone come out 3 or 4 time for stormwater review. It was determined that this cost may be just to cover for Gonzalez. It is not for our staff.

Administrator noted that before the permit fee schedule is approved, Public Works will have an opportunity to review the stormwater fees. And the motion from Ways and Means could be to continue upon the approval from Public Works.

Motion was made by Alderman Gould and seconded by Alderwoman Tice to recommend restructuring of fees as outlined in Ways and Means Memo in BoardDocs, contingent upon approval of stormwater fees by Public Works Committee.

Roll Call:

Alderman Sims – yes
Alderman Shelton – yes

Alderman Gould – yes
Alderman Tice - yes

Motion carried by a vote of 4 (yes) to 0 (No).

8. CITIZEN COMMENTS

A. Citizen Comments - None

9. ADJOURNMENT

A. Adjournment

Chairwoman Sims noted there was no further business, and meeting was adjourned at 6:29 PM.

This meeting was livestreamed on YouTube and recorded. The recording will be made available on the City's YouTube channel.