

WAYS & MEANS COMMISSION MINUTES
CITY OF TOWN & COUNTRY, MO
July 24, 2020
Via Zoom Videoconference
8:00 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:

Alderman Sue Allen, Chairperson
Mayor Jon Dalton
Finance Director Pam Reitz
City Administrator Bob Shelton

Ward 1

Randi Weber
Bob Aikin

Ward 2

Oz Conrad
Michael Goldberg

Ward 3

Hans Fredrickson
John Wichlenski

Ward 4

Bob Proost
Don Roberts
Jeff Parrotte, At-Large

OTHERS PRESENT:

Finance Director Pam Reitz, City Administrator Bob Shelton, Communications and Administrative Assistant Morgan Kuepfert.

Alderman Allen called the meeting to order at 8:00 a.m. and the roll as noted above was taken. There was a quorum.

Mr. Fredrickson moved to amend the agenda to switch items 4 and 5. The motion was seconded by Mr. Aikin and approved.

1. Approval of June 19, 2020 Minutes

Mr. Aikin moved for approval, seconded by Mr. Conrad. The Minutes were approved.

2. Sales Tax and Fund Balance Status

Ms. Reitz explained to the Commission the document received was an update from the previous report, and noted that she received new sales tax distributions earlier this month and that they were better than anticipated in the initial estimates and year-to-date receipts are only down 2.5%. Ms. Reitz reminded the Commission that receipts collected in July are for what businesses collected and distributed through the end of May.

Ms. Reitz then explained that she broke out each business into "industry" groups which

showed that the top industries currently were grocery, hardware and retail grocery. She stated that in January 2020, grocery receipts were around \$70,000 and May receipts are around \$63,000. Restaurants have decreased from \$30,000 in January to \$13,000 in May, but May receipts are up from April. Ms. Reitz also projected other revenue sources and estimates for 2021 including gross receipts, permits and applications, inspections and business licenses. She explained that some business license fees are based on gross receipts, so that estimate included a 30% reduction. Overall, Ms. Reitz estimates showed the 2020 year end fund balance at 58.4% of the required 50%.

In response to questioning, Ms. Reitz explained that other smaller funds have not been as thoroughly explored as Staff has already identified large projects that will not happen in 2020. She stated those funds are easier to reduce since they have large projects that can be deferred, whereas the General Fund contains mostly salary and maintenance contracts that are harder to reduce. She added that overtime has been cut, as well as smaller dollar amount line items like trainings and travel.

3. Revenue Enhancements

Mr. Shelton reviewed the document distributed to the Commission. He explained at the last Ways and Means Meeting, the Commission requested that Staff present revenue enhancement scenarios. The first potential is a property tax. Mr. Shelton explained the City currently levies a 0 property tax rate. Ms. Reitz checked with the State Auditor's Office and they indicated that the Board of Aldermen has the authority in even numbered years (non-assessment years) to set the tax rate up to the maximum levy. If the full assessment was levied, the tax would generate an estimated \$4.4 million annually and would cost the median Town and Country homeowner \$571 per year. Mr. Shelton then reviewed other rates and estimated revenue. In response to questioning, Ms. Reitz stated that if the Board approved the property tax, the City would see the revenue in this year's collection.

The second scenario is a Use Tax. Current State law allows municipalities to put before the voters a Use Tax, which applies to internet sales. If enacted, it is estimated to generate around \$350,000, with half going to the Capital Improvement Fund and the Parks and Stormwater Fund and around \$70,000 to the General Fund. It was noted that Des Peres and Frontenac have already approved the Use Tax.

The next scenario would be a Fire Safety Sales Tax. Mr. Shelton explained that the State Statute language would have to be amended to allow for the collection on a contracted service. Discussion ensued relating to a City operated fire department and the effects of the same on taxes.

4. Property Tax Rate

The Commission discussed the implementation of a property tax rate. Discussion included the rates, how long the tax would be in effect, and how it would be implemented. Mr. Conrad stated he would like to hear from the Elected Officials on what their stance is on the tax. Mr. Shelton stated it would be discussed at the retreat tomorrow but explained that the

Board sets policy based on recommendations from the Commissions.

5. Fund Balance Ordinance Review

Mr. Shelton queried the Commission on their thoughts on dipping below the required 50% reserve and stated that if they had a feeling one way or another that the Board should be made aware. Discussion ensued relating to setting another limit and actions that would be required before and after that limit would be set.

6. 2021 Budget Preparations

Ms. Reitz distributed the calendar and brief discussion was held on the timeline.

7. Adjourn

At 9:25 AM, Mr. Goldberg moved to adjourn, seconded by Ms. Weber. The meeting was adjourned.