

WAYS & MEANS COMMISSION MINUTES
CITY OF TOWN & COUNTRY, MO
Friday, October 25, 2019
Municipal Center
8:00 AM

MEMBERS:

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

Ward 1

Randi Weber (Absent)
Bob Aikin

Ward 2

Oz Conrad
Michael Goldberg

Ward 3

Hans Fredrickson (Absent)
John Winchlenski (Absent)

Ward 4

Bob Proost (Absent)
Don Roberts
Jeff Parrotte, At-Large

OTHERS PRESENT:

Assistant Finance Director Marian Oesterle, City Planner Ryan Spencer, Communications and Administrative Assistant Morgan Kuepfert

Alderman Sue Allen called the meeting to order at 8:01 a.m. and the roll as noted above was taken. There was a quorum.

NEW BUSINESS

1. Approval of September 13, 2019 Minutes

Mr. Aikin made a motion to approve the minutes; seconded by Mr. Conrad. The Minutes were approved.

2. Bryn Wyck Update

Mr. Shelton stated that the Board of Aldermen had first reading of the proposed bill, and recalled that the maximum funding was \$300,000, and that second reading is scheduled for this coming Monday. Mr. Shelton explained that the overriding comments were concern about financing and potentially tying up City money. The Board proposed a 5 year term instead of the original 10 year term, which would pay the City back quicker and lessen the amount of interest from Bryn Wyck. Mr. Shelton stated he believes 50% would be paid up front and 50% would be financed, and the total loan amount expected from the City would be \$225,000. It was noted that the 5-year term would cost each household around \$2,000.

Mr. Shelton introduced Jon Serkes, who was recommended to fill the vacant Ward 1 Aldermanic seat.

3. Economic Update

City Planner Ryan Spencer spoke about overall construction cost and building permit activity for the year 2019. He stated that it has been steady this year and there are still subdivisions building out. Mr. Spencer stated the average permit fee per household is between \$7,500 and \$12,000. Mr. Spencer stated some commercial projects are wrapping up including Mason Point and Clayton Village. We are expecting a new athletic project with Principia in 2020. Mr. Spencer also stated Maryville University is continuing to build out their campus with the potential for another dormitory. Finally, it was noted that Clarendale would be a large project, but zoning approvals are still needed.

In regard to sales tax revenue, Mr. Spencer noted that Town & Country Crossing is highest in the percentage share of sales tax with Manchester Meadows continually climbing. It is predicted that with additional stores, including Harbor Freight and a Portuguese themed restaurant, that it will continue to climb. Mr. Spencer noted that restaurants are in the top 20 of sales tax revenue, grocery and chain stores are top 10, and that total makes up about 60% of the overall sales tax revenue for the City.

Mr. Spencer explained that efforts are being made to fill all vacant storefronts. Mr. Conrad questioned business licenses, and Finance Director Pam Reitz stated that some businesses are exempt. Ms. Reitz further explained how the City keeps track of new businesses and checked the reports from Ameren against the Occupancy Permit List from the Public Works Department.

4. 2020 Budget Review

Pam Reitz distributed a summary of the 2020 budget. Ms. Reitz reviewed the 2019 summary, noting the beginning fund balance in the General Fund was \$8.5 million, with estimated revenues of \$10.3 million and estimated expenditures of \$10.5 million. She stated she believes \$200,000 will need to be pulled out of the fund balance to balance at the end of the year. Ms. Reitz noted this was not anticipated, but revenues were projected higher for 2019. She stated all other use of fund balance for 2019 were planned withdraws for ongoing projects.

For the 2020 budget, the estimated fund balance is \$8.3 million, with projected revenues at \$10.5 million and a total budget request of approximately \$10.5 million. Ms. Reitz explained that the general fund is made up of 50% sales tax, 17% licenses and permits, and 14% gross utilities. She noted there has been an upward trend in sales tax of about 1.4% since 2006, however, a 2% increase in CPI over the same time period as well, so revenues are increasing but not as quickly as expenses. Discussion ensued regarding sales tax rates, fire tax, use tax, etc.

Ms. Reitz explained that the estimated revenues for 2019 in the General Fund are about \$400,000 below the 2020 budget, with sales tax down about \$90,000 and building permits down \$270,000. It was noted that we are anticipating more new retail business and construction in 2020.

Ms. Reitz explained how the Road Fund projects are planned, noting that there is a priority list. Tim Randick stated that there are only a few streets within the City limits that qualify for grants. Question was raised regarding when the grants are planned, what type of documentation is kept, and how much it costs the City to apply/obtain and administer the grants. Mr. Randick stated that they are not tracked as the process is different for every grant. He explained that large capital projects are earmarked and general maintenance, i.e. sealing, are delineated throughout different streets.

With regard to the Parks and Stormwater fund, Ms. Reitz stated that it was anticipated that Mason Road would be completed in 2018, but now we hope to complete that in 2019.

2020 budget highlights: Ms. Reitz stated that revenues are anticipated to be up about 2.5% with an increase in sales tax for specific businesses we know are coming in. Building permits and business licenses also increased, and interest came down slightly, about 2.5%. On the expenditure side, budget requests for the General Fund are up about .36% after significant reductions. There is 2% proposed in the merit pool for employees, a 2% increase in medical insurance, a decrease in pension rates of 22% however an increase for commissioned officers of 2%. It was noted that the largest increase comes from the Fire and EMS contracts. Discussions were held relating to the cost for those contracts and continuation of the same. Ms. Reitz then stated that revenues in the Road Fund are expected to increase \$700,000 with the Clayton/Ballas and Topping Road projects/grants. She noted that the main ongoing revenue source for the Road Fund is property taxes received from St. Louis County. Discussion was held regarding how the property tax is collected and redistributed. With regard to the Capital Improvement Fund, Ms. Reitz stated the main source of revenue is sales tax and the estimate was reduced from 2019 of about \$105,000 that came from the PGA Tournament. Other major changes include Town Square and replacement of in-car video for the Police Department.

5. Next Meeting

The next meeting will be held on Friday, November 1, 2019 at 8:00 a.m.

6. Adjourn

The meeting was adjourned at 9:15 a.m.