

CITY OF LAKE SAINT LOUIS
BOARD OF ALDERMEN
ADMINISTRATIVE/FINANCE/
PUBLIC WORKS
JOINT WORK SESSION

MAY 4, 2020

The Board of Aldermen for the City of Lake Saint Louis, Missouri met in an Administrative/Finance/Public Works Joint Work Session via teleconference on Monday, May 4, 2020 at approximately 5:07 p.m.

ROLL CALL:

Mayor Kathy Schweikert was present and presided over the meeting. Aldermen present were: Mike Potter, Ward II; Gary Torlina, Ward I; Jason Law, Ward III; Gary Turner, Ward I; and Karen Vennard, Ward II. Alderman John Pellerito, Ward III, arrived after the meeting started at approximately 5:33 p.m. Also present were: Paul Markworth, City Administrator; Donna Daniel, City Clerk; Louis Clayton, Community Development Director; George Ertle, Assistant City Administrator; Chris DiGiuseppi, Police Chief; Renee Camp, Finance Director; Darren Noelken, Parks and Recreation Director; and Adam Cole, IT Administrator.

Budget Presentation

Paul Markworth, City Administrator, presented information and answered questions about the proposed 2020/21 Fiscal Year Budget (see attached power-point presentation).

The Board held a general discussion about the proposed 2020/21 Budget.

Dental Insurance

George Ertle, Assistant City Administrator, informed the Board the City's current dental insurance agreement with Delta Dental expires on June 30, 2020. The City's benefits broker received five competitive responses for dental insurance which were reviewed by staff. Mr. Ertle said there would be some cost savings if we switch from Delta Dental to another provider however there will be a disruption of service for employees.

The Board held a general discussion about employee dental insurance. Staff was instructed to prepare a bill to award the insurance bid to Delta Dental for the Board to consider at their meeting.

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General Discussion

ADJOURNMENT:

There being no further business to come before the Board in the Administrative/Finance/Public Works Joint Work Session, the meeting adjourned at approximately 6:55 p.m.

Donna F. Daniel, City Clerk

2020/2021 Fiscal Year Budget



General Fund Highlights

- Proposed expenditures exceed revenues by **\$716,000** decreasing estimated fund balance to \$3,860,000 on June 30, 2021. Due to the unknowns with the state of the economy this estimate is solely for discussion purposes and revenue/expense will need to be continuously monitored and adjusted.
- 7/1/2019 budget revenues total \$11,574,000. Proposed budget revenues total \$8,848,000.
- 27.3 % decrease in sales tax from FY 2019/20 budgeted.
- General Fund and Transportation sales tax revenue projected to be \$1,415,720 less than currently budgeted.
- No pay increase proposed for funding.
- No department capital equipment requests are proposed for funding.
- No Police cars are proposed for funding.
- No Public Works trucks are proposed for funding. One truck purchased last year on a two year lease purchase is funded to pay off that lease.
- No payment to the EDC is proposed.
- No payment to the Missouri Municipal League is proposed.
- No payment to SCC Municipal League is proposed.
- No Training budgeted even though some staff need to earn training certifications.
- 2% medical insurance increase included.
- 2 new positions requested in the Police Department. No new positions proposed for funding.
- No transfer to capital street projects included.

Fund Balance Comparison

City	GF Fund Balance Goal	Unassigned Fund Balance	GF Revenues
Wentzville	Not less than 25% of expenses	\$14,222,380	\$21,198,434
O'Fallon	Not less than 40% of expenses	\$18,667,149 (61% of annual GF expenditures)	\$30,473,000
St. Peters	Contingency reserve is 2 months of expenditures	\$9,954,541 (Does not include \$4,500,000 in Contingency)	\$37,237,000
St. Charles	Not less than 30% of expenses	\$13,300,000	\$40,476,000
Lake St. Louis	Not less than 20% of expenses	\$4,628,377 (42.7% of GF revenue)	April Revision \$10,836,000

All Fund Summary

	General	Debt Service	Water Insurance	Sewer Insurance	Capital
Balance 6/30/19	5,035,653	900,575	58,055	216,043	5,566,744
Retirement Sick Leave	(305,172)				
Available 6/30/19	4,730,481	900,575	58,055	216,043	5,566,744
2019/20 Budget					
Revenues	10,836,042	2,002,413	45,216	162,356	7,178,629
Expenditures	(10,705,296)	(1,488,840)	(36,300)	(147,000)	(10,122,610)
Transfers	(232,850)	(19,300)	(6,500)	(14,500)	273,150
Available 6/30/20	4,628,377	1,394,848	60,471	216,899	2,895,913
2020/21 Budget					
Revenues	8,848,082	2,024,522	44,820	160,070	2,947,399
Expenditures	(9,681,779)	(1,471,206)	(36,300)	(147,000)	(3,395,000)
Transfers	65,754	(36,000)	(14,877)	(14,877)	
Estimate 6/30/21	3,860,434	1,912,164	54,114	215,092	2,448,312

June 30, 2021 estimated G.F.Fund Balance as a % of Revenues 2019/20 Original Budget is 33.3%

Sales Tax Revenue Notes

Projections based on 2019 Individual Store Data

Model calculates store revenue June to December and then January to June

- Grocery stores calculated at 100% sales for 12 months
- Gas station/C stores calculated at 100% sales for 12 months
- Drug stores calculated at 100% sales for 12 months
- Walmart calculated at 100% sales for 12 months
- Lowes calculated at 100% sales for 12 months
- Auto service centers calculated at 80% sales for 12 months
- Fast food restaurants calculated at 50% July – December; 66% January through June
- Sit Down restaurants calculated at 15% July – December; 66% January through June
- Clothing stores calculated at 16% July – December; 66% January through June
- Furniture stores calculated at 50% July – December; 66% January through June
- Auto sales calculated at 30% July – December; 50% January through June

Tax from retailers I do not track is estimated to be \$182,000 for the year

Revenue Notes

Other non sales tax revenue notes

- Merchant and liquor license fee calculated at 50% of current budget
- Missouri gas and vehicle rebate calculated at 30% of current budget
- Park program fees calculated for next spring
- Building and grading fees calculated at 70% of past 5 year average
- Court fee of \$50,000 is just a guess

No park revenue projected. Programs need to pay for themselves through signups.

Larger General Fund Revenue Line Items

<u>Revenue Type</u>	<u>Proposed</u>	<u>FY2019/2020</u>	<u>Budget2018/19</u>	<u>Budget2017/18</u>
Real Estate Tax	\$2,146,525	\$2,110,837	\$2,010,339	\$1,983,660
Sales Tax	3,756,666	5,172,386	5,121,175	5,115,316
Gross Receipts/Utility	1,486,688	1,486,688	1,559,251	1,521,124
Road and Bridge Rebate	420,000	404,000	404,000	403,662
Merchant Licenses	46,250	92,500	90,770	90,171
Missouri Gas & Vehicle	181,500	605,000	588,000	586,561
Youth Baseball Registration	0	80,545	78,983	79,478
Building Permits	314,234	420,365	415,273	400,524
Grading/Site Insp. Fees	71,656	112,199	116,763	250,000
Court Fines	50,000	190,000	210,000	215,000

General Fund Expenditure

<u>Department</u>	<u>Proposed</u>	<u>Budget2019/20</u>	<u>Actual2018/19</u>	<u>Actual2017/18</u>
Administration	\$1,074,098	\$1,467,346	\$1,398,477	\$1,355,450
IT	312,364	413,219	381,055	327,198
Finance	355,731	358,227	345,436	325,680
Community Development	655,611	813,025	767,247	664,258
Police	4,029,335	4,244,470	3,998,897	4,112,854
Prosecutor	56,988	60,722	54,877	54,865
Court	163,931	173,437	166,223	164,177
Public Works	2,044,186	2,625,594	2,159,983	2,050,642
Park and Recreation	744,098	1,172,861	1,037,600	1,034,677
Property Management	158,126	178,099	158,387	139,990
Transfer to Capital Fund	0	232,850	627,794	579,000
TOTAL	\$9,564,719	\$11,739,854	\$11,095,980	\$10,808,795

Pay Increase History

<u>Budget Year</u>	<u>Percent Increase</u>	<u>Dollars Budgeted</u>
2020/21	0	0
2019/20	3.00	\$192,081
2018/19	3.00	228,668***
2017/18**	5.43	275,794
2016/17	3.00	172,849
2015/16	grade adjustment; equity adjustment; merit	400,000
2014/15	3.00	160,746
2013/14	2.20	105,000
2012/13*	1.20	62,500
2011/12	3.80	139,000
2010/11	1.92	94,500
2009/10	1.78	90,000
2008/09	4.00	187,200
2007/08	implemented pay plan	317,000

*** Dollars budgeted includes 3%; individual employee adjustment, FICA, LAGERS

** Implemented Condrey Pay Plan Update

* Completed Condrey Pay Plan update but did not implement

Cost of Living Increase

Calculating the cost of living increase

The City uses data from the Bureau of Labor Statistics to determine a cost of living adjustment. Condrey recommends using the Bureau's Employment Cost Index for Wages and Salary of State and Local Employees. His recommendation is to apply one half of the index factor to increase the pay range.

The Bureau's last update on their website is for the month of December. The rise in the index was 2.6% year over year for that month which results in a pay grade adjustment of 1.3%.

Last year the city budgeted a 3% increase. A portion of that money went to move the pay grades upward and a portion to move employees further into the pay grade. There is no money budgeted for either a pay grade revision upward or to move people further into the pay grade.

Health Insurance

LSL is a pool member with the St. Louis Area Insurance Trust for health insurance. There are 20 agencies within the pool. The budget for the pool is determined by expected claims and claims results.

Staff has not received SLAIT's group health insurance report so we do not know at this time how SLAIT determines health insurance premium increase. Our increase will be 2%. LSL had an increase of 2% this year but did not have an increase during the previous two years because SLAIT rewarded the best performers with a no rate increase.

LSL joined SLAIT health several years after it began. Member agencies are receiving surpluses once all liabilities for the group have been paid. They have returned more than \$3 million in surpluses to member cities. Once the surplus is distributed for the year we were a member the City should get a nice check back.

Lake Saint Louis' annual premium for this year is \$1,155,000 and the annual premium for next year will be \$1,178,000.

New Personnel Proposed Fiscal Year 2020/21

There are no new personnel proposed by the City Administrator

New Personnel Requests

Police Department

Option 1 Dispatch

1 PT to FT Dispatch \$47,360

1 FT Dispatch 68,756

Option 2 Dispatch

2 PT Dispatchers \$44,314

Option 1 Records

1 FT Records Clerk \$64,329

1 PT Records Clerk 19,753

Option 2 Records

3 PT Records Clerks \$59,529

Requests Not Funded at All

Administration

Current Budget

Training both Elected and Staff	\$2,600
Travel/Conference both Elected and Staff	4,200
Uniforms	500
EDC Contribution	12,000
SCC Municipal League Contribution	1,500
Missouri Municipal League	2,000
Board Photos	150
Employee Benefits/Health/Wellness Fair	300
Employee Appreciation	450
Volunteer Appreciation	1,000
Holiday Event	1,711
Community Relations/Marketing	3,000

Requests Not Funded at All

Information Technology

Current Budget

AVL for Police Cars and Dispatch

\$3,100

2 Additional Police Software Licenses

1,200

Voice Print Upgrade to Record 911 and Police Radio

9,000

Civic Center Access Control Upgrade

70,000

Email Upgrade and Migration

9,000

Requests Not Funded at All

Finance

Current Budget

Training

\$1,110

Travel/Conference

330

Requests Not Funded at All

Community Development

Current Budget

Salaries Part Time	\$63,395
Training	3,950
Travel/Conference	2,765
Uniforms	1,000
eCode 360 MapLink	4,995
eCode 360 MapLink Yearly Maintenance	1,495

Requests Not Funded at All

Police

Current Budget

Training to be paid from the POST and Training Escrows

Travel/Conference

\$8,000

Weapons

5,000

License Plate Reader Per Camera

5,000

License Plate Reader Control Box

2,500

License Plate Reader Installation Depending on Location

2,500 to 5,000

Repair/Maintain Warning Sirens

5,000

Community Relations/Marketing

3,200

Vehicle Purchase

83,000

Command Center for Captain's Vehicle

6,000

Dispatchers

Records Clerks

Requests Not Funded at All

Prosecutor

Current Budget

Training

\$650

Mileage

250

Legal Special Prosecutor

1,500

Requests Not Funded at All

<u>Court</u>	<u>Current Budget</u>
Training	\$1,200
Travel/Conference	1,500
Legal Notices/Advertising	100
Other Supplies	100

Requests Not Funded at All

<u>Public Works</u>	<u>Current Budget</u>
Training	\$2,500
Travel/Conference	2,800
Training Manuals	250
Photo Supplies	300
Snow Supplies (reduced request from \$81,500 to \$40,000)	58,775
Traffic Signs	11,000
Creebank Stabilization Program	500
Street Sweeping	15,000
Tree Removal	1,600
On Call Traffic Consultant	6,000
Repair Office Equipment	500
Community Relations	300
Dump Truck	85,000
F350 Truck	75,000
Breaker for Bobcat	4,000
Message Board	16,000

Requests Not Funded at All

<u>Park</u>	<u>Current Budget</u>
Salaries Day Camp	\$31,468
Training	1,500
Travel/Conference	1,170
Ballfield Lights	3,405
Renaud Center Contribution	5,000
Splash Pad	300
Winterize Concession Stand	500
Alarm System Replacement Founders	1,000
Arborist Consulting Fee	12,500
Laser Level Baseball Field 2 and 4	5,000
Landscape Contract (not including City Hall and Veterans Park)	22,630
Maintenance and Removal of Large Trees	2,000
Winterize and Activate Irrigation	3,000
Dumpster Enclosure Founders Park	2,400
Trail/Street Repairs	4,000
Holiday Light Contractor	15,900
Adult Leagues	7,710

Requests Not Funded at All

<u>Park</u>	<u>Current Budget</u>
Triathlon	\$28,854
Youth Recreation Programs	2,842
Adult Recreation Programs	9,810
Day Camp	16,086
Concerts	18,380
Youth Baseball	43,305
Trip Programs	5,000
Special Events (Veterans Day/Memorial Day; Halloween; Garage Sale; Father/Daughter Dance)	18,531
Repair Irrigation	1,200
Mower	11,780
Slit Grass Seeder	2,500

Requests Not Funded at All

Property Management

Current Budget

Landscape Supplies	\$1,500
Tools and Equipment	400
Mulch City Hall Islands	3,500
Parking Lot Repair	1,000
Irrigation Repair	250
AED and Cabinet at Civic Center	2,000
IT Closet HP Installations (2)	20,000
Public Works Metal Roof Repair	6,000
Replace HVAC Civic Center	40,000

Proposed New Equipment and Programs

No new equipment and programs proposed.

Debt Service Revenue and Expense

Real Estate Taxes at \$0.47 Levy	\$2,017,021
Interest	7,500
Total Revenues	\$2,024,521
Paying Agent	\$900
Principal Payments	1,335,000
Interest	135,306
Transfer to General Fund	36,000
Total Expense	\$1,507,206
Excess Expense over Revenue	\$517,315

Water Line Insurance Fund 401

	<u>Proposed Budget</u>	<u>Current Budget YTD</u>
Revenue	\$44,820	\$45,216
Expenditure	\$36,300	\$36,300
Transfer to GF	14,877	6,500

Annual charge is \$8

FY 2016/17 Revenue was \$15,752 and Expense was \$19,752

FY 2017/18 Revenue was \$16,556 and Expense was \$32,165

FY 2018/19 Revenue was \$33,033 and Expense was \$21,922

FY 2019/20 Revenue YTD is \$45,216 and Expense YTD is \$14,973

Sewer Line Insurance Fund 501

	Proposed Budget	Current Budget YTD
Revenue	\$160,070	\$162,356
Expenditure	147,000	147,000
Transfer	14,877	14,500

Annual charge is \$28

FY 2016/17 Revenue was \$148,349 and Expense was \$120,493

FY 2017/18 Revenue was \$156,022 and Expense was \$100,946

FY 2018/19 Revenue was \$161,447 and Expense was \$99,966

FY 2019/20 Revenue YTD is \$162,425 and Expense YTD is \$87,450

Capital Project Fund 601 Revenue

	Proposed Budget	Current Budget
Capital Sales Tax Parks	\$387,225	\$530,501
Capital Sales Tax Public Works	871,257	1,193,627
LSL Blvd. RAB COUNTY	262,286	116,714
LSL Blvd. RAB FED	982,143	210,537
LSL Blvd. RAB STATE	340,000	0
LSL Blvd. North Phase 3 FED	18,000	0
LSL Blvd. North Phase 3 COUNTY	21,000	0
Shoppes Overlay FED Grant	20,000	0
Interest Income	20,000	78,000
Cell Tower Income	24,888	24,888
Total Revenue	\$2,947,399	

Capital Project Fund 601 Public Works Expenditure Storm Water Capital Improvement Projects

Brookstone	\$25,000
2 Picardy Construction	225,000
Newport Terrace Design	70,000

Capital Project Fund 601 Public Works Expenditure Streets

LSL Blvd. Phase 3 ROW	\$45,000
ADA Sidewalks	25,000
LSL Blvd. RAB Landscape Enhancements	275,000
LSL Blvd. RAB Construction	1,650,000
Asphalt Overlay	0*
Concrete Panel Replacement	600,000
Shoppes @ Hawk Ridge Overlay ROW	25,000

- * Asphalt program and concrete program were funded at 50% of prior year budget. The Asphalt overlay for both years was paid from 2019/20 fiscal year budget and none is budgeted for fiscal year 2020/21. The concrete program for fiscal year 2019/20 was delayed to be funded from fiscal year 2020/21.

Capital Project Fund 601 Park Expenditure

Replace Boulevard Park playground equipment	\$280,000
Boulevard Park Asphalt Trail Repairs	25,000
No Name Park Development	150,000

Capital Project Fund 601 Fund Summary

	<u>Public Works</u>	<u>Park</u>	<u>Veterans</u>	<u>Undesignated</u>
<u>Balance 6/30/2019</u>	3,148,925	2,204,882	18,491	194,446
<u>19/20 Budget</u>				
Est. Revenues	6,564,175	536,454		78,000
Est. Expenditures	(9,538,950)	(583,660)		
Transfers In	273,150			
Estimate 6/30/20	447,300	2,157,676	18,491	272,446
<u>20/21 Proposed Budget</u>				
Revenues	2,515,286	412,113		20,000
Expenditures	(2,940,000)	(455,000)		
Transfers In				
Estimate 6/30/21	22,586	2,114,789	18,491	292,446