

FINANCE COMMITTEE

AGENDA

June 5, 2023, 5:30 P.M.

In Person at City Hall Chambers

And virtually via Zoom

<https://us02web.zoom.us/j/82008031911?pwd=bmJRZUJvR1FHRkY2VENFdjBZRFJsdz09>

Or you can dial in at 312-626-6799

Meeting ID: 820 0803 1911

Passcode: 944610

1. ROLL CALL
2. 2022 FINAL DRAFT OF AUDIT REPORT AND STATEMENTS
 - a) Presentation by Sikich LLC
 - b) Approval by Finance Committee is requested

3. APPROVAL OF THE MINUTES
Approval of the minutes of the March 9, 2023 Meeting

Documents:

[03.09.23 FINANCE MEETING MINUTES - DRAFT.PDF](#)

4. CASH & INVESTMENT MANAGEMENT UPDATE
5. 2024 BUDGET PROCESS TIMELINE REVIEW
6. PROPOSED ORDINANCE FOR MAINTENANCE OF UTILITY TAX RATES

Documents:

COVER PAGE - UTILITY TAX.PDF
ORDINANCE RE NO AUTOMATIC TAX ADJUSTMENTS .PDF

7. OTHER MATTERS
8. ADJOURNMENT

**MINUTES OF THE REGULAR MEETING OF FINANCE COMMITTEE OF THE CITY OF SUNSET HILLS,
MISSOURI HELD ON MARCH 9, 2023**

Meeting called to order at 5:34 p.m.

Place of meeting: Public Works Conference Room at City Hall

The Finance Committee of the City of Sunset Hills, Missouri met in open session. Chairman, Alderman Brian Fernandez, Alderman Fred Daues, Member Mike Fitzgerald, Member Mark Colombo, Finance Director, Susanna Messmer, Assistant Finance Director, Jeff Trentmann, City Administrator, Brittany Gillett, were in attendance.

Approval of Minutes:

Member Fitzgerald made the motion. Seconded by Member Columbo. All ayes in favor of approval of the January 30, 2023 minutes.

Retirement Enhancement presented by Alderman Epperson & First Responder Pension Change:

Alderman Epperson proposed a change to the City's current LAGERS pension plan to reclass Communications officers from General to Police, hereby lowering their optional retirement age of 60 to 55. Per cost statement provided by LAGERS, the change would result in an increase to City contributions of approximately \$16,000 to approximately \$21,000 over the next 10 years. Questions were raised regarding the Unfunded Liability in the report and these were answered by city staff.

Motion was made by Member Fitzgerald to recommend to the Board of Alderman that the City reclass Communications Officers to be classified as Police under LAGERS. Seconded by Member Columbo. All ayes in favor.

Alderman Epperson presented on options for retirement enhancement for City employees. Alderman Epperson presented two options for the city to decide. Alderman Epperson recommended the option creating a matching contribution percentage to the City's existing 457(b) plan. Discussion was had on the pros and cons of each option to the City. Alderman Daues inquired whether other cities are offering a matching contribution to their employees. Alderman Epperson noted he has sent out a poll to other cities asking for this information. From the responses he has received so far early into the process, no other cities are offering this service. Discussion was had regarding what additional administration fees could result from this change.

No motion was made.

Additional Information Requested during January 30th Meeting:

MOSIP

Assistant Finance Director Trentmann presented on the staff action item noted at the last meeting and the City's received response. Response from MOSIP regarding fees was discussed and the current rate of the MOSIP plan was noted.

Arbitrage Management

Assistant Finance Director Trentmann presented on the staff action item noted at the last meeting and the City's received response. Response from Arbitrage Management regarding their fee structure was discussed. City staff noted Arbitrage Management's broker/dealer and independent auditors.

CD Early Withdrawal

Assistant Finance Director Trentmann presented on the staff action item noted at the last meeting and the City's received response. Response from Arbitrage Management was discussed regarding the possibility of early withdrawal of three city CDs. Each withdrawal would result in a net loss to the city. Decision to keep CD's to maturity was made as cursory calculations indicated additional interest from reinvestment did not exceed loss from early withdrawal.

Current Interest Rates

Assistant Finance Director Trentmann presented on the staff action item noted at the last meeting and the City's received response. Staff noted the research performed inquiring local bank about current Money Market account interest rates and Insured Cash Sweep (ICS) account rates. Discussion ensued and concluded with acknowledgement that MOSIP had the highest rates.

Staff recommendation:

Finance Director Messmer discussed the city's recommendation regarding the action items discussed. Staff recommends the City contract with MOSIP to start a Liquid Series account. Members agreed with this recommendation and suggested the City transfer excess cash funds into the City's available ICS account with US Bank until the MOSIP accounts have been created.

Motion was made by Member Columbo to recommend to the Board of Alderman the City contract with MOSIP for depository services. Seconded by Member Fitzgerald. All ayes in favor

2022 Final Budget Adjustment:

Finance Director Messmer presented the City's final 2022 budget adjustment. The budget adjustment is favorable by \$1.5 million overall. Notable aspects to the adjustment were Stieren projects not being completed and the Despotis settlement being added.

Motion was made by Member Columbo to recommend the Board of Alderman approve the 2022 Final Budget Amendment. Seconded by Member Fitzgerald. All ayes in favor

2023 Budget Adjustment:

City Administrator Gillett discussed the 2023 budget amendment for Police riot gear for \$11,000.

Motion was made by Member Fitzgerald to recommend the Board of Alderman approve the 2023 Budget Amendment. Seconded by Member Columbo. All ayes in favor

Other Matters:

Member Columbo inquired about the city's current lawsuits. City Administrator Gillett was able to inform the member that Econolodge lawsuit is settling and Rugby is still ongoing. Discussion was had regarding special counsel appointment at recent Board of Alderman special meeting.

Adjournment:

Alderman Daues made a motion to adjourn the meeting. Member Fitzgerald seconded the motion and it was unanimously approved.

Meeting adjourned at 7:00 p.m.



REQUEST FOR BOARD ACTION

BOARD MEETING DATE: Tuesday, June 13, 2023

REVIEWALS:

Finance Department: Completed

City Administrator: Completed

SUBJECT: An Ordinance allowing the City to maintain its existing tax rate on utility companies

LIST OF ATTACHED REFERENCE DOCUMENTS:

State Statute 393.275 RSMo

FISCAL IMPACT:

Unknown

BACKGROUND/DISCUSSION:

The Public Service Commission (PSC) recently approved a rate hike for Missouri American Water Company in excess of 7%. According to state statute, when this occurs the City may either reduce the utility gross receipts tax to the extent necessary so that revenue for the ensuing twelve months will be approximately equal to the revenue received during the preceding twelve months plus a growth factor, or we can enact an ordinance that would keep the tax rate the same despite the usage rate increase.

Staff has requested a second reading; should the Board wish to the approve the ordinance, we have limited time to notify the appropriate parties and want to ensure we meet the deadlines.

STAFF RECOMMENDATION:

Staff recommends approval.

MEETING HISTORY:

June 5, 2023 – Finance Committee

ORDINANCE NO. ____

BILL NO. _____

AN ORDINANCE AMENDING CHAPTER 25, TAXATION, TO ENACT A NEW SECTION TO PROVIDE FOR NO AUTOMATIC ADJUSTMENTS PURSUANT TO SECTION 393.275 RSMO.

WHEREAS, Chapter 25 of the Code of Ordinances, City of Sunset Hills, Missouri (the “Code”) contains the City’s license tax imposition on electric companies, gas companies, telephone companies, and water companies; and

WHEREAS, the City received a notice from the Public Service Commission of the State of Missouri pursuant to Section 393.275 RSMo. that Missouri American Water has raised its rates effective May 11, 2023; and

WHEREAS, pursuant to Section 393.275 RSMo., within sixty (60) days of the effective date of such rate increase, the City’s tax rate shall be adjusted, or the City may enact an ordinance to maintain its tax rate; and

WHEREAS, the Board of Aldermen desires to maintain its tax rate on companies furnishing water or water service and find it in the best interest to pass an ordinance to have no automatic adjustments on such companies as well as on electric companies, gas companies, and telephone companies.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF SUNSET HILLS, ST. LOUIS COUNTY, MISSOURI, AS FOLLOWS:

Section 1. Article I, In General, of Chapter 25, Taxation, is hereby amended by enacting a new Section 23-5 to read as follows:

Sec. 25-5. - No Automatic Adjustments.

Pursuant to Section 393.275 RSMo., and other applicable authority, the City shall maintain now and hereinafter, unless otherwise provided by law, the tax rates of its license taxes on the gross receipts of businesses furnishing or supplying light, electricity, electrical service or power, gas or gas service, telephones or telephone service, or water or water service, including as imposed and at the rates established pursuant to Sections 25-11, 25-25, 25-39, and 25-53, as may be amended from time to time, without reduction, notwithstanding any periodic fluctuations in the tariffs or service rates of such utility companies or any notice thereof, including, but not limited to, notice sent under Section 393.275 RSMo.

Section 2. The portions of this Ordinance shall be severable. In the event that any portion of this Ordinance is found by a court of competent jurisdiction to be invalid, the remaining portions of this Ordinance are valid, unless the court finds that the valid portions of this Ordinance are so essential and inseparably connected with and dependent upon the void portion that it cannot

be presumed that the Board of Aldermen would have enacted the valid portions without the invalid ones, or unless the court finds that the valid portions standing alone are incomplete and are incapable of being executed in accordance with the legislative intent.

Section 3. This Ordinance shall be in full force and effect from and after its passage by the Board of Aldermen and its approval by the Mayor.

PASSED this _____ day of _____, 2023

MAYOR

APPROVED this _____ day of _____, 2023

MAYOR

ATTEST:

CITY CLERK/CITY ADMINISTRATOR