

CITY OF FENTON, MISSOURI
625 NEW SMIZER MILL ROAD, FENTON, MO 63026
MINUTES OF THE FINANCE COMMITTEE OF THE BOARD OF ALDERMEN MEETING
WEDNESDAY, NOVEMBER 3, 2021
7:00 P.M.

Chairman Alderman Heard stated in light of the current public health crisis, including specifically the high community transmission in St. Louis County, and related CDC health guidelines, the Board recognizes that it would be dangerous and impractical to have public indoor group gatherings and recognizes that some members of the public may not feel comfortable attending such in-person meetings. The Board also recognizes the need for the public's business to be attended to in order to protect the public health, safety, and welfare. To balance both, and in accordance with Sec. 610.020, RSMo. and R-20-01, this meeting will not be open to in-person public attendance but rather accessible by the public in real time ONLY by a video/teleconference call via "Zoom".

CALL TO ORDER

Chairman Alderman Heard called the Finance Committee meeting to order at 7:15 p.m. via Zoom Videoconference (RSMO 610.015) and explained the reasons for conducting the meeting via videoconference, i.e., due to the State of Emergency (as specified in the notice above) on Wednesday, November 3, 2021.

PLEDGE OF ALLEGIANCE - Chairman Alderman Tom Heard led the Pledge of Allegiance.

ROLL CALL

City Clerk Jane Hungler called the roll:

Alderman Ralph Cruets - *Present (7:15)*
Alderman Robin Huels - *Present*
Chairman Alderman Heard Tom Heard - *Present*
Alderman Joe Maurath - *Present*

Four Aldermen were present at the opening of the meeting all via video conference.

CITY OFFICIALS PRESENT:

Mayor Bob Brasses - *via video conference*
City Administrator Andrea N. Finkbiner - *via video conference*
City Clerk Jane Hungler - *via video conference*
Financial Consultant Tammy Alsop - *via video conference*
Alderman Brian Wisbrock - *via video conference*
Alderman Chris Clauss - *via video conference*

Chairman Alderman Heard stated that he called this Special Meeting for:

- **Discussion regarding the Personnel Budget for 2022.**

Chairman Alderman Heard expressed tonight is for further discussion for the personnel budget for 2022 as there were requests for further information at the October 21st Finance Committee to make an informed recommendation to present to the full Board. Chairman Alderman Heard shared presentation for Salary Treatment. (Attached as part of these minutes).

Alderman Maurath and Alderman Cruets inquired on difference in numbers on page 1 of presentation vs. page 5 of presentation. Alderman Cruets requested information that breaks down salary costs and benefits cost separately.

Financial Consultant Tammy Alsop shared she has verified and agrees with the figures on page 5 which are salary with benefits and page 1 is salaries only, and she agrees with general funds amount but needs to verify storm water/park amount.

Chairman Alderman Heard shared that LAGERS rate has been confirmed and will decrease for 2022 from 7.4% to 5.9%. Financial Consultant Tammy Alsop explained each year, City receives an annual actuarial valuation; actuaries take into account numerous assumptions and compare those assumptions to actual changes in City's personnel over the past year. For example, how many employees retired, turnover, salary increases, etc. The rate is unique to each City depending on the level of benefits selected and the experiences of both the City and the LAGERS system and variables affect funding based on accrued liabilities and assets on hand.

Alderman Maurath asked Financial Consultant Tammy Alsop what the 7.4% rate is used to calculate. Financial Consultant Tammy Alsop replied the 7.4% is employer's contribution rate to determine what the City pays to LAGERS – contribution rate, times employee gross wages and that equals contribution total.

City Administrator Nikki Finkbinder shared currently there are twenty-five (25) eligible of the forty-two (42) full-time positions and one (1) part-time position for increase consideration. Per the Committee's request, estimates of a 3%, 4.5%, and a 5.9% increase were compiled for all positions for the estimated affects to wages and City paid benefits. City Administrator Nikki Finkbinder explained the calculations in the estimates, reflect wages/salaries for eligible positions only, and further explained that FICA, LAGERS, and Long-Term Disability (LTD) may have increases or decreases depending on rates and affect all full-time positions (filled, probationary, and vacant). Increase does not affect medical, dental, or life as it is a set cost. City Administrator Nikki Finkbinder noted vacant positions calculated at base pay and benefits.

City Administrator Nikki Finkbinder shared draft of calculation spreadsheet:

A 3% increase reflects estimated \$33,236.75 increase to wages only and \$24,634.30 overall increase of wages **and** City paid benefits. Estimated budget for a 3% increase would be \$2.4 million for all full-time positions (filled, probationary, and vacant) and one (1) part-time position for wages **and** City paid benefits.

A 4.5% increase reflects estimated \$49,855.15 increase to wages only and \$43,522.45 overall increase of wages **and** City paid benefits. Estimated budget for a 4.5% increase would be \$2.475 million for all full-time positions (filled, probationary, and vacant) and one (1) part-time position for wages **and** City paid benefits.

A 5.9% increase reflects estimated \$65,365.64 increase to wages only and \$61,151.40 overall increase of wages **and** City paid benefits. Estimated budget for a 5.9% increase would be \$2.5 million for all full-time positions (filled, probationary, and vacant) and one (1) part-time position for wages **and** City paid benefits.

Alderman Maurath suggested sharing spreadsheet with Board so they can review calculations for a better understanding of the numbers. City Administrator Nikki Finkbinder reminded Board some portions of spreadsheet are deemed closed for confidentiality.

Chairman Alderman Heard shared comparison of budget to actual salary treatment from 2016 to 2021 based on fully staffed with benefits. Over those five (5) years, there is a \$2.1 million under budget actual expense.

Alderman Maurath stated the large reduction to 2021 actual was a positive financial responsibility and the City needs to continue to monitor for unneeded waste and overlap. The City of Kirkwood tried to pass Prop 1 tax for road improvements for additional revenue, that tax did not pass to cover shortfalls and he believes their shortfalls are due their salary treatment.

Alderman Heard shared there was request at last meeting for research regarding governmental increase averages. Upon research, he was not able to find any definitive averages. Federal Government is proposing up ~~to 7%~~ a 2.7% increase for federal employees, and Social Security approved a 5.9% cost-of-living increase, and Society for Human Resource Management (SHRM) is anticipating 3% increase across public and private sectors.

Alderman Heard suggested a 4.5% increase recommendation to present to the Board. He believes it is important to treat employees well and appropriately and that a \$43,000 increase is manageable, affordable, and sustainable.

Alderman Cruts expressed he is favor of no more than a \$30,000 increase recommendation.

Alderman Heard inquired if the salary treatment recommendation would be through merit and quartile distribution or a flat rate. Alderman Clauss replied in the past there was an incident that was not properly distributed, as evaluations seemed to be bias based rather than performance based, which resulted in unbalanced pool distributions. Alderman Maurath shared an ordinance has been enacted to prevent reoccurrence. City Administrator Nikki Finkbiner shared that is Board's decision on distribution allocation method.

Alderman Maurath expressed he is in favor of 3% increase recommendation. Alderman Huels shared she would like to review spreadsheet before she can make an informative recommendation and feels a 3% increase is less than 2021 increase.

After discussion, Alderman Maurath made a motion to make a recommendation of a starting point of a 3% increase consideration to the Board. The motion was seconded by Alderman Cruts.

Alderman Heard voiced he is in favor of a 4.5% increase consideration to recommend to the Board. Alderman Clauss shared that the CBIZ study recommendation to use matrix has not been utilized and recommendation to keep salary ranges competitive has not been maintained.

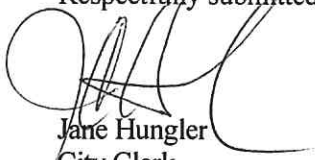
Upon a vote being taken, the motion passed by the Committee with Alderman Heard voting nay.

Committee requested proposed spreadsheets be calculated with a 3%, 4%, and 5% increase considerations for Board review and put the topic of discussion regarding the Personnel Budget for 2022 on the November 11th Board of Aldermen Committee Meeting agenda under Miscellaneous.

ADJOURNMENT

At 8:50 p.m. with no other business before the Finance Committee, Alderman Huels made a motion that the meeting be adjourned. The motion was seconded by Alderman Cruts. Upon a vote being taken, the motion passed.

Respectfully submitted,



Jane Hungler
City Clerk
City of Fenton