

## **Minutes of Finance Committee Meeting on September 25, 2019**

The meeting was called to order by Chairman Clutter at 4:00 PM

Committee members in attendance include Mayor Lickliger, City Administrator, Michael Padella, City Treasurer Sue Steiger, Bruce Robb, Pat Schuknecht and Alderman Andy Clutter.

Minutes from the August 28, 2019, Finance Committee Meeting were reviewed. A motion was made by Pat Schuknecht and seconded by Mayor Lickliger to approve the minutes as submitted. The motion was unanimously approved.

Chairman Clutter again reviewed ordinances from two cities, obtained by the City Clerk, which established the formalization of a policy/ordinance to create a Reserve Fund of no less than the most current one year of budgeted expenditures. Funds from The Reserve Fund could not be used unless approved by the Board of Alderman. An input was made whether the City uses the most current year actual expenditures or a three-year rolling average of actual expenditures for establishing the Reserve Fund. A discussion occurred about using the actual expenditures for the General Fund, the Municipal and Park Fund, and the State Revenue Sharing Fund for establishing the Reserve Fund. Also discussed was whether it would require a vote in the affirmative of four Alderman to allow monies to be used from the Reserve Fund. There was discussion regarding how often to recalculate what amount will be placed in the Reserve Fund. A suggested idea was to review it once per year in the first quarter (i.e. October-December) of the fiscal year. Mayor Lickliger made a motion seconded by Bruce Robb to establish a Reserve Fund by ordinance based on the most recent three year rolling average of the summation of the on-going expenses from the General Fund plus the Municipal Building and Park Fund and the State Revenue Sharing Fund. One time capital expenses will not be included in the calculation. The three year rolling average will be updated in the first quarter of each fiscal year (October 1 thru December 31) to determine a revised Reserve Funding dollar amount. The current estimated three-year rolling average of on-going expenses from the three funds is

\$853,604. This will change somewhat once the final expenditures for fiscal year 2019 are recorded. The motion was unanimously approved by the committee. A recommendation was made to inquire with the Missouri Municipal League to obtain additional information on establishing a Reserve Fund.

The committee discussed healthcare and retirement benefits for City employees. The retirement benefits would be managed by LAGERS, which is used by many other Missouri cities. The City currently has a retirement fund using a Simple IRA for current employees. Five of the eleven full/part-time employees currently participate with a match of up to 3% of pay. Based on a meeting with representatives from LAGERS at the annual MML conference in early September, the City will need to select, ONE TIME ONLY, how many minimum hours annually the covered employees will need to work in order to qualified for participation, (i.e. 1500 hours /year (i.e. 30 hours / week), 1250 hours /year or 1000 hours/year). At the 1500 hours per year level currently only 5 employees would be eligible to participate. Participants/members become vested after 60 months of continued credited service. Currently LAGERS, which has oversight from a 10 member panel comprised of 5 State Representatives and 5 State Senators appointed by the legislature, only offers two levels of contribution from the participants at 0% (where the City pays the full cost of the benefit) and 4% (where the employee pays 4 % of gross pay after tax). LAGERS is petitioning the state legislature to allow them to also offer contribution levels of 2% and 6%. This can be changed by the individual City governments once every two years. The LAGERS of Missouri only operates in Missouri and is not connected to any other state retirement plans. LAGERS can do an initial report for the City of Weldon Spring at a cost of \$520 to help give the City additional guidance on which plan would be the most appropriate. Pat Schuknecht made a motion, which was seconded by Bruce Robb, to recommend the Mayor authorize the expenditure of \$520 to obtain the initial report from LAGERS.s This was unanimously approved by the committee.

Currently five city employees participate in a Simple IRA. The City will need to understand if participating in a Simple IRA will be impacted by participating in LAGERS to establish and manage a retirement pension program for the City

employees. Also, can the non-participants in LAGERS participate in the Simple IRA?

With respect to healthcare coverage, there was discussion of having the employees pay some monthly premiums vs. the City paying 100% of the healthcare monthly premiums. The City will also need to determine if dental and vision coverage will be included in the healthcare coverage. Currently the City pays for Health care coverage and Dental coverage for just the employee. The City will need to consider covering family members of employees and at what cost to the employee. The City Administrator and the City Clerk will investigate various scenarios and will consult with the Missouri Chamber of Commerce and the MML on Healthcare plans. The City continues to participate in discussions with other municipal governments in St. Charles County to coordinate obtaining healthcare coverage at a more affordable level.

The committee agreed to meet on the tentative date of November 13, 2019 starting at 4 PM.

Mayor Lickliger made a motion to adjourn and Pat Schuknecht seconded the motion and the motion passed.

Meeting was adjourned at 5:25 PM.

Submitted by A. Clutter