



Finance & Administration Committee Meeting

February 27, 2017 at 6:00 p.m.

300 Park Drive – Donald “Red” Loehr Police and Court Center

The minutes are prepared in summary to reflect the overall discussion – not verbatim quotes.

The Committee Meeting was called to order at 6:01 p.m. by Committee Chairperson Frank Fleming.

In attendance were Mayor Tim Pogue, City Attorney Robert E. Jones, City Administrator Eric Hanson, Aldermen Ray Kerlagon, Ross Bullington, Jim Leahy and Mark Stallmann. Also in attendance were Director of Public Works Gary Kramer, Finance Officer Denise Keller, Director of Economic Development / Assistant City Administrator Andy Hixson and City Clerk Abigail Johnson.

Escrow:

Director of Economic Development and Assistant City Administrator Andy Hixson provided an overview of the Escrow program along with his recommendations for eliminating certain escrows. Larger projects where potential public infrastructures could be damaged during construction would require an escrow. Mr. Hixson highlighted a few of these projects: retaining wall, commercial remodel, room addition and in ground pool.

Mr. Hixson recommended the following to the committee:

- Keep all escrows that deal with anything in the right-of-way, new subdivision and land disturbances as laid out in our code of ordinances.
- Create an easy to read sheet of what escrows are needed for which projects
- Must update the ordinance regarding escrows for permit fees
 - If a contractor is a known offender for not getting their final permit, have an enforcement clause in the new ordinance.

Alderman Fleming had received feedback from Alderman Finley (not in attendance at the committee meeting) who suggested not eliminating escrows on basement finishes and on decks.

Mr. Hixson stated the reason for requiring an escrow for all construction projects is to ensure all inspections are called in and the project is completed in a timely manner. Mr. Hixson also brought up the subject of payment of escrows by credit card. The City returns 100% of the escrow but when an escrow is charged by credit card, the city ends up paying the service fee.

Alderman Stallmann stated he would like to keep Ballwin business friendly and to allow contractors to continue to be able to use a credit card to pay for their escrows.

Alderman Kerlagon commented that he liked the format of the presentation Mr. Hixson provided. It was easy to follow by providing background information first and then his recommendation. He also added that it's a small amount the city pays in credit card fees and suggested that the city continues to allow escrows to be charged.

Mayor Pogue added that if contractors don't call in a final inspection there needs to be some sort of recourse for not completing their permit. Mr. Hanson stated the city could file action in the municipal courts should a contractor fail to make any progress or effort to complete their permit.

City Attorney Jones added that the ordinance could not be modified in a manner to penalize known offenders only.

Alderman Fleming held a vote for those in favor of the recommendation; it was a unanimous vote by the committee members to support the recommendations made by Mr. Hixson.

Sewer Lateral Repair Program:

In order to address the issue of the Sewer Lateral Repair Program [SLRP] running out of funds early in the year, Mr. Hixson provided several recommendations for the committee to consider.

Sole Source Provider: The committee discussed several possibilities and concluded to recommend using a sole source vendor for a two-year contract. Alderman Fleming did feel uncomfortable with having a single vendor do all the repairs. Alderman Kerlagon and Alderman Stallmann stated they did not feel uncomfortable. Having a sole source vendor that provides residents one number to call instead of choosing between eight contractors will relieve some of the stress of the process for the homeowner. They voted 2-1 (Alderman Stallmann and Alderman Kerlagon in favor and Alderman Fleming opposed) to recommend a sole source vendor to be contracted as the contractor for the SLRP with a two year contract.

User Fee: The Committee discussed user fees to help recover administrative costs. The thought is that by requiring a user fee, only homeowners truly having sewer lateral issues will apply for the program. Three fees were presented to the committee: \$150, \$250, and \$330. The committee unanimously agreed to recommend a \$150 user fee to be submitted at the time of application.

Sewer Lateral Tax: The Committee discussed raising the sewer lateral tax for the SLRP from \$28 a year to no more than \$50 to provide more funds for the program which would allow for more repairs to be made. The Committee decided to think on this option a little longer and to not make any recommendation at this time.

Purchasing Policy:

Finance Officer Denise Keller provided several graphs of neighboring municipalities' purchasing policy thresholds for the committee to review.

The Department Manager's purchasing threshold was recommended to be increased to \$5,000. Alderman Kerlagon and Alderman Stallmann did not find any issue in this amount. Alderman Fleming and Alderman Finley (who provided feedback to Alderman Fleming of his concerns on this issue) were uncomfortable with a \$5,000 threshold and recommended the threshold be set at \$3,000. Alderman Kerlagon and Alderman Stallmann did not object to their recommendation. \$3,000 was the final recommendation by the committee as the Department Manager's threshold.

Ms. Keller recommended the City Administrator's Purchasing threshold be increased from \$7,500 to \$10,000. After the committee reviewed the data Ms. Keller provided and compared thresholds from other municipalities, Alderman Stallmann, Alderman Kerlagon and Alderman Fleming decided to recommend the threshold be increased to \$15,000. Alderman Finley (who arrived at this point) was opposed to this increase.

The Advertising threshold was discussed. The focus was on requesting bids when the item is known to be a sole source vendor. When advertising for bids with sole source vendors, this process ends up costing the City money. The committee unanimously recommended that the advertising threshold be

increased to \$20,000. The proposed changes will be submitted to the full board for review and consideration.

Committee Chairperson Frank Fleming adjourned the committee meeting at 7:00 p.m.

TIM POGUE, MAYOR

ATTEST:

ERIC HANSON, CITY ADMINISTRATOR

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Updated: **February 28, 2017**