



AUDIT & FINANCE COMMITTEE

MINUTES – July 27, 2020

The regular meeting of the Audit & Finance Committee was held Monday, July 27, 2020 at 4:30p.m. Those in attendance included:

Member	In Attendance	Absent
Randy Atkisson	X	
Rich Carver	X	
Ted McNulty	X	
Katrina Pon	X	
Katie White	X	
Jim Kleinschmidt	X	

Also in attendance were:

- Doug Harms, City Administrator
- Tracy Hansen, Director of Finance

June Financial Statements: The Director of Finance emailed the June Financial Statements and Financial Summary to Committee members prior to the meeting. The City has a net decrease in fund balance of \$477,120 across all funds as of June 30, 2020. She noted that General Fund revenues were lower than budgeted due to lower sales tax and the extended due date for business license renewals to August 31st. Ambulance revenue increased this year due to the increase in billing rates effective in 2020. General Fund expenses are down 6%, but the Director of Finance noted that there are currently vacant full time positions in Public Safety and the Street Department.

The Park Fund revenue is down 31.94% compared to last year. Expenses in the Park Fund are lower because part-time employees were furloughed while the Lodge was closed. The City Administrator noted that the City had received the 2nd quarter bill for unemployment totaling \$55,000.

The City delayed or cancelled \$1.8 million in projects from the Capital Fund earlier this year.

COVID-19 Update: The Director of Finance noted the first request for FEMA reimbursement advanced to the final approval level, with more requests to be submitted in the future. She also stated that the City received \$5,142 from the CARES act to reimburse the City for COVID related ambulance runs of uninsured

patients. The City has incurred \$56,581.73 in direct COVID related expenses for items such as masks, temperature scanners, and disinfectant cleaning supplies.

Katie White left the session at approximately 5:30 and Katria Pon left the session at 5:33.

Sales Tax Update: The Director of Finance presented the sales tax analysis as of July 2020 receipts (May sales tax at the register), Year to Date performance, and budget comparison. July receipts were lower than 2019 by 40.62% over all of the sales tax categories. This large decrease is due to temporary COVID-19 related business closures throughout the City, specifically West County Center. On a year to date accrual basis, Local Sales Tax are coming in 22.37% under last year. Use Tax is 2.63% lower than last year and the Public Safety Sales Tax is 10% lower than last year. The Director of Finance gave a breakdown of sales tax by category of West County Center, Restaurants and Grocery Stores to show the sources of sales tax revenue for the months of March, April, and May.

Ted McNulty had to leave the session at approximately 5:42. At this time, the Committee no longer had a quorum.

Proposition F: The Director of Finance provided the Committee with the City Administrators presentation to the Board regarding Proposition F, the Fire Sales Tax that will be on the August 4th ballot. This sales tax would increase from .25% to .50%. She stated that 90% of revenue in the Fire Fund is transferred to the General Fund to pay fire related expenditures, with 70% of the expenditures related to employee compensation. If Proposition F is passed, it is expected to bring in \$1.2 million additional revenue each year and would be effective on January 1, 2021.

Des Peres Property Tax: The Finance Director explained another option to fill the revenue shortfall is to levy a property tax. She explained that the City can only levy a tax in even number years. In order to know how much the City can legally levy, the City would have to request that the State Auditor's office calculate the allowable tax rate ceiling. The Director of Finance asked the Committee Members to give their input on whether they thought the City should move forward with the State Auditor completing the calculation. The Committee did not have a quorum at this point in the meeting to vote. Mr. Carver and Mr. Atkisson both recommended the calculation be completed by the State Auditor in order to keep the option open in the future.

Mr. Atkisson asked about trash service and the expected annual rate increase. Mr. Harms noted that he is meeting with two trash haulers to obtain information regarding rates on other contracts so that the Board of Alderman can decide if they would like to go out to bid or try to negotiate with the City's current trash hauler.

A discussion commenced about other possible expense cutting measures the City has looked into. One possibility that was discussed was outsourcing the police dispatch operations. Mr. Atkisson asked the Aldermanic Representative, Mr. Kleinschmidt if he thought that was something the Board of Alderman would be looking into. Mr. Kleinschmidt stated that the Board would discuss this as an option during the budget process.

Adjournment: The committee adjourned at 6:21 p.m.

Next Meeting Date: The next meeting date will be August 24th at 4:30pm. This meeting will also be held via Zoom.

Respectfully Submitted,
Julie Lancaster
Accounting Supervisor

AUDIT AND FINANCE COMMITTEE

AGENDA

Monday, July 27, 2020 at 4:30 PM

[Audit and Finance Committee Livestream](#)

In light of ongoing concerns regarding the COVID-19 pandemic, public attendance at Des Peres Audit and Finance Committee meetings has been temporarily suspended. The City of Des Peres will be live streaming Audit and Finance Committee meetings during this pandemic to allow the public to observe meetings in real-time. The livestream will commence five (5) minutes prior to the start time of any meeting. Please use the link above for livestream access to our meeting.

- I. Roll Call
- II. June Financial Statements
- III. Sales Tax Update
- IV. Proposition F
- V. Des Peres Property Tax
- VI. COVID-19 Update
- VII. Adjournment

AMERICANS WITH DISABILITIES ACT

The City of Des Peres will comply with the Americans with Disabilities Act. Individuals who require ADA modifications due to a disability to attend a meeting should contact the City Clerk at 314-835-6111 or cityclerk@desperesmo.org or use Relay Missouri 711 at least 72 hours in advance of the meeting date to communicate their needs.