



# AUDIT & FINANCE COMMITTEE

## MINUTES – July 27, 2022

The regular meeting of the Audit & Finance Committee was held Wednesday, July 27<sup>th</sup> at 4:30p.m. Those in attendance included:

Member	In Attendance	Absent
Randy Atkisson	x	
Rich Carver	x	
Ted McNulty		x
Katrina Pon	x	
Lori Hartman		x
Brent Dolezalek	x	
Jim Kleinschmidt	x	

Also in attendance were:

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

**June Mid-Year Financial Statements and Review:** Prior to the meeting, the Director of Finance emailed June 2022 Financial Statements and a 2<sup>nd</sup> Quarter 2022 Financial Summary to the Committee. She stated the 2<sup>nd</sup> quarter ending fund balance is \$23.7 million. She noted The General Fund and Capital Improvement Fund both have decreases in fund balance, which is typical for this time of year for the General Fund and expected for the Capital Fund. The City had a planned use of Capital Fund balance in 2022 in the amount of \$1.5 million. The City has \$15.8 million invested in CDs. The Director of Finance stated she purchased US Treasury Bills and Notes and has \$2.9 million in cash to invest through 2025 now that the interest rates are starting to increase.

General Fund revenue is 8.75% higher than 2021. The City anticipates the General Fund revenue to exceed the amount budgeted in 2022. Use Tax revenue is up 87% from 2019.

The Park Fund revenue is \$3.9 million. \$1 million of that balance is restricted for future Parks & Recreation capital projects. Overall revenue in the Park Fund is still down 11.19% compared to 2019. Memberships are down 25% (approximately 860 memberships) from 2019. The Sports programs are 94% higher compared to 2019. Expenditures in the Park Fund are expected to be within budget in 2022 expect for a few outliers such as utilities, which are running high due to the heat. Supplemental appropriations for utilities are expected prior to year-end.

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Mr. Dolezalek asked how many memberships were lost in the Lodge software conversion when the Lodge had to ask for updated credit card information. Mr. Atkisson asked how many customers are on monthly auto-debit payments. Ms. Hansen stated she would ask the Lodge and follow up with the Committee after the meeting.

Mr. Harms notified the Committee that he recently received the results from the Citizen's Attitude Survey. One of the questions asked if the resident was a member of the Lodge and if not, why? 45% of residents said they didn't use the facility enough to justify the cost.

**July Sales Tax:** The City Administrator presented the Committee with a memo outlining mid-year sales tax projections. He stated the City's revenue is projected to exceed budget in the current fiscal year. A brief discussion commenced regarding all types of revenue the City receives.

The General Fund is expected to be over budget by \$581,511 in revenues in 2022. However, Mr. Harms noted that \$880,500 of grant revenue in the General Fund is related to the 2<sup>nd</sup> and final payment from the American Rescue Plan Act. Mr. Carver asked if the City posted accrued interest on CDs. Ms. Hansen noted that accrued interest is posted at the end of the fiscal year.

The Park Fund Revenue is expected to meet or exceed their 2022 budget, except in membership fees. Of all of the programming activities, Mr. Harms explained that Sports and Aquatics programs have the largest profit.

**Use Tax Analysis:** The Director of Finance announced to the Committee that she has been working with the Finance Director from the City of Gladstone, MO to analyze the Use Tax Report from the State of Missouri. She is using Microsoft's Power BI software to upload the voluminous data files. With this new analysis, she can see patterns in number of merchants and notice months where large merchants have not filed a return. After the preliminary analysis, she inquired about 9 payments that may be missing. Mr. Harms noted that this makes Des Peres ahead of other Cities in understanding Use Tax Payments. Committee members commended Ms. Hansen for her efforts in programming the software and being proactive in collecting missing payments.

**Other items discussed:** The Director of Finance notified the Committee that Ted McNulty is moving out of Des Peres and will no longer be able to serve on the Committee. Ms. Hansen also asked if the Committee still preferred to meet via zoom and the Committee decided to continue to meet virtually.

**Adjournment:** The committee adjourned at 5:46 pm.

**Next Meeting Date:** The next meeting will be held on Wednesday, August 24<sup>th</sup> at 4:30pm via Zoom.

Subsequent to the meeting, the Director of Finance collected answers for specific questions raised during the meeting. Current Lodge memberships is at 2,393 and 694 memberships pay monthly by credit card. The \$60 processing fee for monthly auto-debit is charged once; unless the member terminates their membership and returns for a new membership past 30 days then they are charged again. The Lodge lost an additional 255 memberships when we converted to the new software. Attempts were made to contact and save all lost memberships.

Respectfully Submitted,  
Julie Lancaster  
Accounting Supervisor

## AUDIT AND FINANCE COMMITTEE

### AGENDA

**Wednesday, July 27<sup>th</sup> 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 Mid-Year Financial Statements and Review
- III. July Sales Tax
- IV. Use Tax Analysis
- V. 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](mailto:cityclerk@desperesmo.org) or use Relay Missouri 711 at least 72 hours in advance of the meeting date to communicate their needs.