



# AUDIT & FINANCE COMMITTEE

## MINUTES – November 18, 2020

The regular meeting of the Audit & Finance Committee was held Wednesday, November 18, 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	
Vacant		
Jim Kleinschmidt		X

Also in attendance were:  
Tracy Hansen, Director of Finance

The Director of Finance notified the Committee that Katie White has resigned, which leaves two vacant positions in the Audit and Finance Committee. The Committee decided to move their monthly meetings to the 4<sup>th</sup> Wednesday of each month beginning in January.

**October Financial Statements:** The Director of Finance emailed the October Financial Statements and Financial Summary to Committee members prior to the meeting. The City has a net increase in fund balance of \$114,008 across all funds as of October 31, 2020. The City received \$65,000 for a business license that was past due for over 5 years. The City Administrator is sending past due notices to several companies that have not paid their 2020 business license. The Director of Finance noted that 3 CDs matured in October and were replaced with 2 CDs. She noted that although the interest rates are lower, the money is FDIC insured when it is re-invested. Mr. Atkisson asked if the City has compared the interest rates with CDs at other banks. A discussion commenced and the Director of Finance asked Mr. Atkisson to send the name of the bank so that she can see if they have custodial accounts. Mr. Carver stated that he would follow up by sending the Director of Finance information about the CDARS Program. Expenditures in the general fund are 2.86% lower than this time last year due to vacant positions, employees out on work comp, and full-time positions converting to part-time.

The Park Fund revenue is down 33.02% compared to last year. Expenditures in the Park Fund are lower because part-time employees were furloughed while the Lodge. Mr. Atkisson asked if the City was still reviewing the business model for the Lodge

that was discussed at the last Board of Aldermen budget work session. The Director of Finance stated the Parks and Recreation staff have been asked to review the Lodge organizational structure and will present their findings to the Board of Aldermen.

The Capital Fund has an increase in fund balance of \$400,088 as of October 31, 2020. Several items were removed or delayed from the Capital Fund Budget in 2020. The Director of Finance anticipates a \$500,000 decrease in fund balance in the Capital Fund by year-end.

**COVID-19 and FEMA Update:** The Director of Finance noted as of October 31<sup>st</sup>, the City has incurred \$275,707 in COVID related expenditures. The City has received \$52,810 from FEMA. Another \$15,000 in the Emergency Protection Measures project is pending approval.

The City has received half of the awarded CARES reimbursement through the St. Louis County Municipal Relief Program. Supporting documentation has been submitted to St. Louis County and is being reviewed by their third party consultants. Once the documentation is approved, the City will receive the second half of the award. The total the City is eligible for is \$575,820.

**Sales Tax Update:** The Director of Finance provided the sales tax analysis as of November 2020 receipts (September sales tax at the register), Year to Date performance, and budget comparison. November receipts were lower than 2019 by 23.78% over all of the sales tax categories. The use tax has increased 2.27% over the prior year for November. 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. The recovery at West County Center is still around 50% of prior year totals.

**2021 Budget Update:** The Director of Finance provided a Summary of the Proposed 2021 budget to the Committee. She noted this budget does not include a COLA, merit increases, or the deer management project. The Board of Aldermen have asked Directors to look for several other cost saving options such as outsourcing police dispatching services and reviewing the operational structure of the Lodge Des Peres. The Board of Aldermen will have a Public Hearing on Monday, November 23<sup>rd</sup> at 7pm for the 2021 Proposed Budget. Committee members can attend by using the Zoom link on the City's website. The Director of Finance encouraged the Committee to review the budget and submit a memo to the Board of Aldermen with any Committee recommendations. The final budget is expected to be approved at the December 16<sup>th</sup> Board of Aldermen meeting.

Rich Carver had to leave the meeting at 5:30pm.

**Fund Balance Policy Change Review:** The Director of Finance provided the Committee with a resolution that will adjust the City's Fund Balance Policy. These changes include an additional 5% to be transferred from the Fire Fund to the general fund and 100% of the Proposition P funds be transferred to the general fund to assist with Public Safety related payroll expenditures. There is also a request to reclassify the Lodge Building Reserve to a Parks Capital Reserve so that the restricted funds could be used for any Parks and Recreation related capital expenditure in the future.

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

**Next Meeting Date:** The next meeting will be held on Wednesday, December 16<sup>th</sup> at 4:30pm via Zoom.

## AUDIT AND FINANCE COMMITTEE

### AGENDA

**Wednesday, November 18<sup>th</sup>, 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. October Financial Statements
- III. COVID-19 and FEMA Update
- IV. November Sales Tax
- V. 2021 Budget Update
- VI. Fund Balance Policy change review
- 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](mailto:cityclerk@desperesmo.org) or use Relay Missouri 711 at least 72 hours in advance of the meeting date to communicate their needs.