



# AUDIT & FINANCE COMMITTEE

## MINUTES – December 16, 2020

The regular meeting of the Audit & Finance Committee was held Wednesday, December 16, 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:

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

**November Financial Statements:** The Director of Finance emailed the November Financial Statements and Financial Summary to Committee members prior to the meeting. The City has a net increase in fund balance of \$172,003 across all funds as of November 30, 2020. Gross receipts tax are down 3% compared to last year with the largest decrease in the Electric GRT category and appears to be attributable to a mild summer. Several notable increases in revenue are residential and commercial permits are up 68% for the year and ambulance revenue was higher by \$19,347. Expenses in the general fund are 2.92% lower compared to this time last year. The decrease is primarily due to vacant positions, employees on work comp and full time positions converting to part time.

The Park Fund revenue is down 33% compared to last year. Expenditures in the Park Fund are lower because part-time employees were furloughed while the Lodge was closed earlier this year. Due to the St Louis County Safer At Home Order, the Lodge had to cancel rentals and are only able to allow 25% capacity in the building. Since membership revenue is down 41%, the Lodge is running a membership drive to encourage enrollment. Mr. Atkisson asked for details about the membership drive. A discussion commenced about the incentives offered.

The Capital Fund has an increase in fund balance of \$314,438 as of November 30, 2020. Several items were removed or delayed from the Capital Fund Budget in 2020. The Director of Finance anticipates a \$633,455 decrease in fund balance in the Capital Fund by year-end.

The City has received \$681,278 in COVID relief as of November 30<sup>th</sup> from FEMA and the St. Louis County Municipal Relief Program.

**Sales Tax Update:** The Director of Finance provided the sales tax analysis as of December 2020 receipts (October sales tax at the register), Year to Date performance, and budget comparison. December receipts were lower than 2019 by 16.11% over all of the sales tax categories. Based on an 80% recovery rate, the City is projecting sales tax to be 17.7% below the 2020 budget at year-end. 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 55% of prior year totals.

**2021 Budget Update:** The Director of Finance informed the Committee that a public hearing was held on November 23<sup>rd</sup> for the 2021 budget. A second reading was held at the December 14<sup>th</sup> meeting and the budget was approved by the Board of Aldermen. The budget includes an overall increase in fund balance of \$382,865. Sales tax revenue was projected based on an 80% recovery of 2019 sales tax revenue. The City Administrator stated they are still looking at other cost saving measures such as outsourcing dispatch operations and lifeguarding. The Parks Department has also been tasked with reviewing their entire staffing structure over the next couple of months.

**2020 Audit Update:** The Director of Finance notified the Committee that interim fieldwork for the audit began this week and the audit is being conducted electronically. Jim Torti, who has been the partner on the City of Des Peres' account, is retiring. Therefore, the Partner, Director, and Manager that have been on the City's account for several years will not be part of the audit in March. The Director of Finance will be meeting with Karen Lenk's replacement, Steve Trippi via zoom this week. Katrina Pon asked the Director of Finance if the Committee Members could receive a resume for Steve Trippi. The Director of Finance will request one and forward it to the Committee Members. This is the last year of the 3-year contract with Schowalter and Jabouri. The Committee will need to decide after the March audit if they would like to extend the contract for 2 years or go out to bid for auditing services.

**Adjournment:** The committee adjourned at 5:24 pm.

**Next Meeting Date:** The next meeting will be held on Wednesday, January 27<sup>th</sup> at 4:30pm via Zoom. The Director of Finance will send a calendar invitation to Committee Members and send the documents in a separate email closer to the meeting time.

Respectfully Submitted,  
Julie Lancaster  
Accounting Supervisor

## AUDIT AND FINANCE COMMITTEE

### AGENDA

**Wednesday, December 16<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. November Financial Statements
- III. December Sales Tax
- IV. 2021 Budget Update
- V. 2020 Audit Update
- VI. 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.