



AUDIT & FINANCE COMMITTEE

MINUTES – October 27, 2021

The regular meeting of the Audit & Finance Committee was held Wednesday, October 27, 2021 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	
Dean Fitzpatrick	x	

Also in attendance were:

Tracy Hansen, Director of Finance

The Director of Finance opened the meeting by introducing the Committee's newest member Brent Dolezalek, from Ward 2. He was appointed to the Committee at the October 25th Board of Aldermen meeting.

September 2021 Financial Statements: The Director of Finance provided the September 2021 Financial Statements and 3rd Quarter Financial Statement Summary to the Committee. The City saw increases in fund balance during all three quarters and year to date was up \$3.3 million from the beginning of the year, which is a 21% increase. A discussion commenced regarding the type of investments the City is allowed to purchase and the potential for increased interest rates in the future. The Director of Finance will forward the City's investment policy and Missouri State Statute to the new members of the Committee for review.

General Fund Expenditures are 1.23% lower than this time last year. After the budget was completed, the City learned of the \$877,865 that it would receive from the American Recovery Act, decided to outsource police dispatching services, learned of a 12% increase in work comp premiums and instituted a 2% COLA to the pay scale. Mr. Dolezalek asked how often the City has an opportunity to cut costs such as outsourcing dispatch services. Ms. Hansen responded that the City creates a strategic plan every 5 years to identify those types of opportunities. Mr. Atkisson asked how the dispatch transition to Kirkwood is going. Mr. Fitzpatrick responded

that he had a conversation with Chief Hall about the transition and he said it seems to be going smoothly.

The Park Fund has a fund balance of \$2.84 million. The Sports Department has experienced a large increase in the Tennis and Pickle Ball court revenue. Unfortunately, memberships are still down 34.7% from year-end 2019.

The Capital Fund has an ending fund balance of \$5.05 million. The Director of Finance listed notable expenditures from the 3rd quarter such as the City Hall roof repair, Public Safety body camera lease payment, and the Des Peres roundabout. Mr. Atkisson asked the cost of the roundabout project. Ms. Hansen stated the total cost of the project is \$1,650,000 and the City's portion is 20% or \$330,000.

October Sales Tax Update: The Director of Finance provided the sales tax analysis as of October 2021 receipts (August sales tax at the register), Year to Date performance, and budget comparison. October receipts were higher than 2019 by 67.38% over all of the sales tax categories. This increase is in part due to the increase in the Fire Sales tax rate from .25% to .50%. There continues to be a large increase in use tax which could be a strong indicator that we are already receiving the "internet sales tax." Year-to-date sales tax on a cash basis are up 5.01% compared to the same period in 2019. This reflects receipts from January through October 2021.

Katrina Pon left the meeting at 5:27 and Dean Fitzpatrick left the meeting at 5:28.

RFP for Auditing Services: The Director of Finance provided the Committee with the results from the RFP for Auditing Services. The City received a response from Botz, Deal & Company P.C., Clifton Larson Allen LLP, and Schowalter and Jabouri. She stated the City has used Schowalter and Jabouri for 10 years and the firm usually uses 325 hours a year during the audit. Mr. Carver stated that he was concerned about the significantly lower number of hours proposed by one of the auditing firms. Mr. Atkisson asked if Schowalter and Jabouri had ever tried to charge more than quoted. The Director of Finance stated they charged a higher rate in 2 out of the 10 years. Mr. Dolezalek recommended the City include in the contract that the chosen firm could not outsource the City's audit. The Committee decided to schedule interviews on Friday, November 5th for all 3 firms. The Director of Finance will schedule the meetings and send a Zoom invitation to the Committee.

2022 Budget Update: The Director of Finance informed the Committee that the Board of Aldermen had one budget work session remaining next Monday. She presented the current proposed 2022 Budget. Committee members requested to see as comparison of prior years' actual expenses to the 2022 budget. The Director of Finance will email this information to the Committee. She will also send a copy of the memo sent to the Board of Aldermen from the City Administrator recommending use

November 4, 2021

of the updated revenue projections in the 2022 budget, which include the October sales tax receipts. The Public Hearing for the budget is scheduled for November 22nd.

Adjournment: The committee adjourned at 6:15 pm.

Next Meeting Date: The next meeting will be held on Wednesday, November 17th at 4:30pm via Zoom.

Respectfully Submitted,
Julie Lancaster
Accounting Supervisor

AUDIT AND FINANCE COMMITTEE

AGENDA

Wednesday, October 27, 2021 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. September 2021 Financial Statement
- III. October 2021 Sales Tax Update
- IV. RFP for Auditing Services Update
- V. 2022 Budget 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 or use Relay Missouri 711 at least 72 hours in advance of the meeting date to communicate their needs.