



## AUDIT & FINANCE COMMITTEE

### MINUTES – January 26, 2022

The regular meeting of the Audit & Finance Committee was held Wednesday, January 26<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	
Dean Fitzpatrick		x

Also in attendance were:

Tracy Hansen, Director of Finance  
Doug Harms, City Administrator

**January Sales Tax Update:** The Director of Finance provided the sales tax analysis as of January 2022 receipts (November 2021 sales tax at the register), Accrual Year to Date performance, and budget comparison. January receipts were higher than 2021 by 29.81% over all of the sales tax categories. The Park fund is a good indicator of the City's performance because this tax does not include sharing with other municipalities. The Park fund is 13.41% higher than 2021. The Director of Finance noted that after review of the detailed merchant reports, the January distribution does not include receipts from 4 mid-sized merchants.

The Director of Finance also noted that the City's sales tax revenue is projected to be 19.92% over budget by the end of 2021.

Mr. Dolezalek asked for details on the early payer discount and if that was standard for sales tax collections in other States. The Director of Finance explained the discount was 2% for payments made by the 15th of the following month, but there was not a penalty associated with paying sales tax after that date. The City Administrator noted that he was unaware of the collection process in other States.

**Audit Update:** The Director of Finance notified the Committee of the upcoming audit schedule. Schwalter and Jabouri will present their pre-audit presentation at the February 23<sup>rd</sup> Audit and Finance Committee meeting. On-site field work is scheduled

for March 14<sup>th</sup>-25<sup>th</sup>. The Director of Finance expects to have a draft of the Annual Financial Report for the Committee to review at the March Audit and Finance Committee meeting. Schowalter and Jabouri will present the final audit and The Director of Finance will give a 2021 year-end presentation at the April Audit and Finance Committee meeting.

The Director of Finance informed the Committee of a new GASB policy change for 2021, GASB 87. This policy requires the City to include future lease payments on the balance sheet as a liability. The 2020 Financial Statements included this change for the Public Safety body cameras. GASB 87 will apply to the Flock Camera lease in 2021.

The future revenue from the American Tower lease will also need to be recorded in compliance with GASB 87. Mr. Carver suggested contacting the lessee for the implicit rate in order to calculate the future value of the revenue.

The Director of Finance reminded the Committee members that Schowalter and Jabouri may reach out to them in the next couple months to set up a meeting to ask questions relating to the Audit.

**Miscellaneous:** The Director of Finance announced the City was recently awarded a \$250,000 FEMA grant to install 38 dry hydrogen peroxide units throughout the Lodge facility. The City has contracted with Trane for the purchase of these units. The City Administrator noted this technology is used in hospitals and continuously runs to disinfect the air and surfaces.

The City Administrator also notified the Committee that the City was outbid by Ameren for the Jansen horse farm property next to Sugar Creek Park.

The Board of Aldermen met on Monday to discuss if they would like to move forward with the renovation of City Hall. The last time the lower level was renovated was in 1975. The estimated cost of the project is \$5 million. Mr. Harms stated the Board of Aldermen are still discussing the project, but noted they did not want to borrow money to fund the project. The Director of Finance indicated there was enough money in the City's fund balance to pay for the project over a multi-year time frame. Mr. Carver asked if the project included the remediation of the 2<sup>nd</sup> and 3<sup>rd</sup> floors of City Hall. Mr. Harms responded that the removal of asbestos and lead based paint is a separate project that the Board of Aldermen has already approved and is expected to begin on February 1<sup>st</sup>.

The Public Safety Commission endorsed the Director of Public Safety to present a proposal for the City to obtain a dog that would sniff gun powder. The dog would walk through West County Center to try to deter people from bringing guns on the premises. This project is estimated to cost \$150,000-\$200,000 per year. Public

perception, duplication of efforts by CBL, and cost are concerns related to the project. This project will be presented to the Board of Aldermen in a few weeks.

The City Administrator also noted the City offered \$50 incentive for employees to get the COVID-19 vaccine. The City was reimbursed for this incentive by the City's health insurance company.

## AUDIT AND FINANCE COMMITTEE

### AGENDA

**Wednesday, January 26<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. January Sales Tax
- III. Audit Update
- IV. Miscellaneous
- 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.