



AUDIT & FINANCE COMMITTEE

MINUTES – March 22, 2023

The regular meeting of the Audit & Finance Committee was held Wednesday, March 22nd at 4:30p.m. Those in attendance included:

Member	In Attendance	Absent
Randy Atkisson	x	
Rich Carver	x*	
Brent Dolezalek		x
Katrina Pon		x
Lori Hartman	x	
Connor Ward	x	
Jim Kleinschmidt	x	

* Rich Carver was able to attend the meeting for a short time but lost internet connection and couldn't rejoin the meeting

Also in attendance were:

- Tracy Hansen, Director of Finance
- Scott Schaefer, Assistant City Administrator

February Sales Tax: The Director of Finance gave an update of March sales tax receipts (January at the register). March sales tax has a decrease of 32.25% or \$558,090 lower than March 2022. The Director of Finance stated that 10 large merchants were behind a month in payments. Director of Finance is hoping they catch up with a double payment in the near future. Another large merchant is two months behind in Use tax and is in contact with a tax representative. She is hoping this will be resolved in the next 30 to 60 days. Mr. Kleinschmidt asked if there were any penalties for merchants who pay late. Director of Finance stated that she is working with the state on the matter but is having trouble getting answers. Director of Finance offered a website to everyone which states the fees that should be charged by the state.

Cash Year to Date- Overall, on a cash basis we are ahead of 2022 by 2.93% or \$143,327. The same can be said for restaurants and grocery stores. The Director of Finance did not include a projection analysis because there are only three months of receipts to analyze for 2023 on a cash basis and only one month for the accrual based projections. At this time, the results would not show any value to the committee and the Director of Finance stated she would calculate for the next meeting.

Mr. Atkisson asked about the validity to the proposed law that eliminates sales tax on grocery items currently in the Missouri legislature. The Director of Finance said that the law is currently being discussed in the Missouri legislature and deferred to the Assistant City Administrator for further clarification. Assistant City Administrator stated the law has passed the Missouri House of Representatives and is currently in the Senate. He stated there was plenty of opposition from around the state from cities and school districts stating how this could negatively impact their finances. Director of Finance and Assistant City administrator promised an update once there is more information on the matter.

The Director of Finance also provided a breakdown of sales tax by category: West County Mall, Grocery Stores, Restaurants, and Other. West County Center and grocery stores continue to be the 2 largest sources of revenue. The Director of Finance said that it appears the sales tax from West County Mall is almost fully recovered to pre-Covid levels.

2022 Audit Update: The Director of Finance informed the committee that the audit was coming along and going smoothly. Schowalter and Jabouri will be finishing their on-site work a week early and finish any additional work off-site. Preliminary audit results should be available in a week and the final documents will be ready in April. Director of Finance is hopeful to present the audit findings at the next meeting in April.

Pension Study Update:

The Director of Finance gave an update on the status of the pension update. It is currently being worked on after LAGERS had questions about how to classify Public Safety officers and firefighters. The director of Finance worked with LAGERS to properly identify who should be classified as a police officer or firefighter. Director of Finance was hoping to have results of the study in 4 to 6 weeks after resolving the classification issue with LAGERS.

Building Project Update: The Assistant City Administrator talked about the three building projects currently ongoing (Street Garage, City Hall, & Public Safety Building). The Street Garage is on schedule for construction starting in the Fall of 2023 and the project has gone slightly over budget due to the decision to use better materials in the construction of the garage. The Board of Alderman have approved more additional funds for the project and it is now under the new budget amount. Public Safety building is on budget and currently slated to start construction in 2024. This will be the most complex out of the three due to Public safety using the building 24/7. Finally, the City Hall project is currently on budget. While contingent money has been built in, the budget may need to be expanded due to finding unknown issues with an aging, out of date building. Assistant City administrator discussed which

departments would be moving around, the replacement of the elevator and how they were making City Hall ADA accessible with this project.

Other Items Discussed:

Debt Service: The City is currently debt free. The Director of Finance discussed the recent rate hike by the Federal Reserve and how it may impact when the City decides to do a bond issuance for the building projects. Rates have grown steady since March 2022 as discussed by the Assistant City Administrator while presenting an update on the building projects. The Director of Finance stated that the issuance would be for 20 years instead of 30 and the City could refinance after five years but would get further clarification when meeting with Reagan Holiday in April about the bond issuance. The Director of Finance is monitoring rates daily.

Adjournment: The committee adjourned at 5:28 pm.

Next Meeting Date: The next meeting will be held April 26th at 4:30pm via zoom.

Respectfully Submitted,
Jason Martine
Accountant

AUDIT AND FINANCE COMMITTEE

AGENDA

Wednesday, March 22nd 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. Sales Tax Update
- III. 2022 Audit Update
- IV. Building Project Update
- 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 or use Relay Missouri 711 at least 72 hours in advance of the meeting date to communicate their needs.