



## AUDIT & FINANCE COMMITTEE

### MINUTES – November 15, 2023

The regular meeting of the Audit & Finance Committee was held Wednesday, November 15, 2023 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
Conor Ward	x	
Patrick Barrett	x	

Also in attendance were:

Tracy Hansen, Director of Finance  
Douglas Harms, City Administrator

The Director of Finance opened the meeting and noted that she wanted to add the Bond Issuance and the Retirement Memo to the agenda.

**November 2023 Sales Tax:** The Director of Finance gave an update of November sales tax receipts (September at the register). November sales tax came in 9% lower than prior year. The detailed reports from the state show there are three large and three medium sized merchants that have fallen a month behind in their payments.

On a cash basis, Sales tax and Use is 4.20% higher compared to 2022 across all categories. The Park Fund is a good indicator of only Des Peres activity and is performing 3.71% better than the same period of 2022.

On an accrual basis, Sales and Use tax receipts are lower than prior year-to-date by .55% or \$65,903 compared to 2022.

The 2023 projections show Sales and Use tax exceeding budget. Using an average of both the cash and accrual projections, it shows the City will end 1.8% over budget in all sales tax categories. The sales tax that effect the General Fund are projected to be 1.12% higher than budget.

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The Director of Finance also provided a breakdown of Sales tax by category: West County Mall, Grocery Stores, Restaurants, and Other. The breakdown shows that West County Center accounts for 36% of sales tax revenue and grocery stores are 30% of sales tax revenue.

Mr. Dolezalek arrived at the meeting at 4:40pm.

**2024 Budget Presentation:** The Director of Finance distributed exhibits from the 2024 budget. She reviewed the budget schedule including the public hearing on November 27<sup>th</sup> and a tentative adoption of the budget on December 11<sup>th</sup>. The budget goals for 2024 were to provide high quality services, maintain long term fiscal sustainability, retain low local tax rates and fees, and provide transparency.

She also reviewed budget highlights such as a 3.5% cost of living increase, reclassifying a Court Clerk from Part-time to Full-time, and reclassifying a Code Enforcement Officer as a Residential Building Inspector. Mr. Atkisson asked for detail on the reclassifications. Mr. Harms stated the Residential Building Inspector reclassification was the result of the current Code Enforcement Officer passing certification tests and creating a succession plan for our Building Inspector position. The Court Clerk moving to full-time is due to required minimum staffing in the Court. If the Court Administrator is out sick, it is often difficult to find coverage to keep the Court open. There is a State requirement for the Court and the City to be separate and prohibits other City employees from working in the Court.

Ms. Hansen reviewed the budget summary showing \$28.7 million in revenue, \$41.6 million in expenses and a deficit of \$12.9 million. Bond proceeds are expected to be received in 2023, so they are not included in the revenue numbers for 2024. She also reviewed appropriations by department and highlighted several large projects such as the City Hall and Public Safety building renovations, Des Peres Park playground, and new Public Safety vehicles.

Mr. Carver asked if the Lodge rate increase was included in the 2024 budget. Mr. Harms stated it was not because the Board of Aldermen just approved the rate increase.

The Director of Finance also noted the budget is considered balanced as the City is using \$13.2 million of fund balance in the General, Park, Capital, and Debt Service funds in 2024.

**Bond Issuance:** The Director of Finance distributed an updated bond schedule provided by our Municipal Advisor, Regan Holliday at UMB bank. She stated the City had a bond rating call with S&P Global on November 9<sup>th</sup>. The City is expecting to receive the rating on Thursday, November 16<sup>th</sup>. Due to deer hunting season, the due date for bids for the Public Safety renovation have been moved to December 7<sup>th</sup>.

Therefore, the pricing of the bonds has been moved from December 6<sup>th</sup> to December 11<sup>th</sup>. This will allow us to have the cost of the project before issuing bonds.

**2023 Audit:** The Director of Finance informed the Committee Schowalter and Jabouri will be performing interim fieldwork the week of December 11<sup>th</sup>. Pre-audit communication with the Committee will likely be at the February Audit and Finance Committee meeting. The annual audit is scheduled for March 18<sup>th</sup>-29<sup>th</sup>, 2024. This is the third and final year in the Schowalter and Jabouri contract. The Committee will need to determine next summer if they would like to extend the contract with Schowalter and Jabouri two more years or go out to bid for auditing services.

**Retirement Plan Memo:** Ms. Hansen provided the draft copy of the Committee's memo to the Board of Aldermen with their comments about the retirement plan study. She asked if anyone had changes or additional comments for the memo. Mr. Atkisson stated he would email his comments to Ms. Hansen to be included in the memo.

**Other items discussed:** The Boards and Commissions reception will be held at the Lodge on December 7<sup>th</sup>. Invitations were sent to Committee members by email. Mr. Harms stated that Mr. Carver, Mr. Atkisson, and Ms. Hartman's terms were extended another two years.

**Adjournment:** The committee adjourned at 5:36 pm.

**Next Meeting Date:** The December meeting has been canceled due to the Holidays. The next meeting is January 24<sup>th</sup> at City Hall.

Respectfully Submitted,  
Julie Lancaster  
Accounting Manager

**AUDIT AND FINANCE COMMITTEE**

AGENDA

**Wednesday, November 15<sup>th</sup> at 4:30 PM  
Des Peres City Hall – Council Chambers**

- I. Roll Call
- II. November Sales Tax
- III. 2024 Budget Presentation
- IV. 2023 Audit
- 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.