



AUDIT & FINANCE COMMITTEE

MINUTES – November 16, 2022

The regular meeting of the Audit & Finance Committee was held Wednesday, November 16th 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	
Jim Kleinschmidt	x	
Vacant (ward 3)		

Also in attendance were:

Douglas Harms, City Administrator
Tracy Hansen, Director of Finance

Mr. Atkisson requested an update about the proposed apartment complex, medical marijuana, and City building renovations to be added to the end of the meeting agenda.

November Sales Tax: The Director of Finance gave an update of November sales tax receipts (September at the register). November 2022 sales tax has an increase of 40.04% or \$351,169 higher than November 2021. There did not appear to be any large catch-up payments this month.

Accrual year-to-date reflects nine months at the register (January- September). Accrual basis shows receipts 12.04% higher than 2021. The Park Fund is a good indicator of only Des Peres activity and is performing 10.81% better than the same period of 2021, recovering 2.64% from last month.

Sales tax projections for 2022 are expected to end at 12.12%, or \$1.8 million over budget.

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.

2023 Budget: The Director of Finance presented to the Committee the 2023 budget. This presentation will also be presented at the November 28th public hearing. The Board of Aldermen will vote to approve the budget at the December 14th meeting.

Several highlights from the 2023 budget are \$0 property tax levied, maintaining free trash service for all residents and a 5% cost of living increase for all employees. The budget also includes several new positions: City Planner, Public Safety Officer, Human Resources Coordinator, and a Street Maintenance Worker. There is a budgeted 5% increase in worker's compensation premiums, liability insurance premiums, medical, and dental insurance.

Ms. Pon asked how the insurance premium increases were estimated. Ms. Hansen stated that the dental insurance is currently out to bid. She stated that historically liability insurance and medical insurance are usually under 5%.

Mr. Atkisson asked if there was an update on the sales tax interruption insurance claims relating to the Dierbergs fire and mall closure due to COVID-19. Mr. Harms stated the lawyers are in the early stages of litigation, but it is expected to take several years.

The 2023 budget has projected revenues across all funds of \$26.1 million and expenses of \$29.7 million. The budget also includes a \$3.6 million planned use of fund balance in 4 funds. Ms. Hansen showed a graph with the City's fund balance history. It showed the City has a higher than normal fund balance compared to prior years.

Ms. Pon left the meeting at 5:00pm.

Mr. Carver asked if the COPS bonds for the Public Safety building renovation were included in the budget. Mr. Harms stated the budget included debt service payments to show the City could afford to make the payments without increasing taxes. He noted that although the debt service payments are included in the budget, the Board of Aldermen have not yet approved the Public Safety building renovation project. Mr. Kleinschmidt stated the Public Safety building project would be discussed at the next work session.

2022 Audit Update: The Director of Finance notified the Committee of the upcoming audit schedule. The interim fieldwork is scheduled from December 12th – 16th. They are scheduled to be onsite for 3 weeks in March. Mr. Carver asked if Schowalter and Jabouri will still be the City's auditors. Ms. Hansen stated the City is in the 2nd year of a 3 year contract with Schowalter and Jabouri.

Other Items Discussed: Mr. Harms notified the Committee that the Board of Aldermen approved a resolution to receive a cost estimate from LAGERS. The

valuation will take about 6-8 weeks. The City is also hiring a pension advisor to outline differences between a defined benefit and defined contribution plan for the Board of Aldermen and employees.

Mr. Harms stated there is a request to build a 180 unit high-end apartment complex west of highway 270. The zoning commission plans to have a vote in December.

The Boards and Commissions reception will be held December 8th at 5:30pm.

Adjournment: The committee adjourned at 5:22 pm.

Next Meeting Date: The December meeting is cancelled due to the holidays. The next meeting will be held January 25th at 4:30pm via zoom.

Respectfully Submitted,
Julie Lancaster
Accounting Supervisor

AUDIT AND FINANCE COMMITTEE

AGENDA

Wednesday, November 16th 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 Sales Tax
- III. 2023 Budget
- IV. 2022 Audit 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.