



AUDIT & FINANCE COMMITTEE

MINUTES – April 28, 2021

The regular meeting of the Audit & Finance Committee was held Wednesday, April 28, 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
Vacant		
Jim Kleinschmidt	X	

Also in attendance were:

- Doug Harms, City Administrator
- Tracy Hansen, Director of Finance

At the beginning of the meeting, the Director of Finance announced she was going to go through her presentation that she gave to the Board of Aldermen on Monday night. The presentation covered all of the items on the agenda, but will be discussed in a different order than noted on the agenda.

2020 Financial Statements: The Director of Finance informed the Committee that the 2020 audit is completed and will be dated April 28th 2021. Schowalter and Jabouri issued an unqualified opinion on the City’s financial statements. The City also had a single audit this year because the City received over \$750,000 in federal grants in 2020.

She reviewed the City’s pandemic response and noted that all departments came in under budget in 2020. The City ended 2020 with \$18 million in revenues and \$19 million in expenditures, with a total decrease in fund balance of \$821,207. The Director of Finance noted \$822,980 in one time revenues received in 2020 from the CARES Act grants, FEMA, past due business license collections, and a lawsuit settlement. She also noted the Lodge lost 892 memberships in 2020 due to the ongoing COVID-19 pandemic.

American Rescue Plan Act of 2021: A preliminary estimate from the Missouri Municipal League indicated the City could receive \$800,000 in both 2021 and 2022 from the American Rescue Plan Act of 2021. The City is still waiting on confirmation of the actual amount from the federal government. The money can be used to offset

lost revenue due to the pandemic or for COVID-19 mitigation expenses. The City is expecting detailed guidance from the federal government soon.

March 2021 Financial Statements: All funds, except the General fund, had an increase in fund balance at the end of the first quarter. The general fund revenue is down 11% from 2020. The Director of Finance noted the City is watching the General fund closely. The Park fund revenue is down 18% from 2020 and has lost 72 members in the first quarter of 2021. In total, Lodge memberships are down 28%, or 860 members from last year. First quarter revenues are on track to meet the budgeted amounts for 2021.

The Director of Finance noted a few items that have occurred since the 2021 budget was completed. The City will receive an estimated \$800,000 in 2021 from the American Rescue Plan Act of 2021, outsourcing dispatch will save an estimated \$104,000, medical insurance premiums will cost \$18,500 more than budgeted, and worker's compensation premiums will be \$145,000 more than anticipated.

April 2021 Sales Tax Update: The Director of Finance provided the sales tax analysis as of April 2021 receipts (February sales tax at the register), Year to Date performance, and budget comparison. April receipts were higher than 2020 by 28.32% over all of the sales tax categories. However, a more informative comparison is to the 2019 data, which shows a 2.99% increase. Although the Fire Sales tax rate doubled at the start of 2021 from .25% to .50%, the collections have not. Year-to-date on a cash basis receipts are down -11.21% across all categories compared to the same period in 2019. Sales tax revenue for 2021 was budgeted based in a 20% reduction from the 2019 actuals.

She also provided a breakdown of sales tax by category of West County Center, Restaurants and Grocery Stores to show the sources of sales tax revenue. West County Center data shows the mall is down 47% and restaurants are down 20% compared to 2020. Grocery store sales tax is up 16% compared to 2020.

Questions: Mr. Kleinschmidt asked Mr. Harms to update the Committee on the status of the internet sales tax in the State of Missouri. Mr. Harms stated that there are still some disagreements in the potential bill such as an income tax roll back and the gross receipts tax that municipalities receive from Cable television companies. Mr. Harms also stated that even the bill was passed, it wouldn't take effect until January 2023.

Mr. Carver asked if the City had decided how to spend the money they will receive from the American Rescue Plan Act. Mr. Harms stated that once the federal government releases the guidelines for spending the funds, the Board of Aldermen will meet to discuss options for spending the funds.

Mr. Atkisson asked what the Board of Aldermen thought about the staffing levels at The Lodge. Mr. Kleinschmidt said that he couldn't speak for other members of the Board of Aldermen, but he would like the Lodge to return to the basic staffing it was when it opened. Mr. Harms stated they hope to have a new Director of Parks and Recreation by the first of June and would like to include them in the discussion of any changes in the operations of the Lodge.

Adjournment: The committee adjourned at 5:46 pm.

Next Meeting Date: The next meeting will be held on Wednesday, May 26th at 4:30pm via Zoom. The Director of Finance will follow up with the Committee on a date for Schowalter and Jabouri to present the 2020 Audit to the Committee and the Board of Aldermen.

Respectfully Submitted,
Julie Lancaster
Accounting Supervisor

AUDIT AND FINANCE COMMITTEE

AGENDA

Wednesday, April 28th, 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. March 2021 Financial Statements
- III. April 2021 Sales Tax Update
- IV. 2020 Financial Statement Presentation
- V. American Rescue Plan Act of 2021
- 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.