



AUDIT & FINANCE COMMITTEE

MINUTES – July 28, 2021

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

Also in attendance were:

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

The Director of Finance began the meeting announcing the committee did not have quorum present. She did not cancel the meeting because she wanted to provide timely information to the Committee about several items on the agenda.

July Sales Tax Update: The Director of Finance provided the sales tax analysis as of July 2021 receipts (May sales tax at the register), Year to Date performance, and budget comparison. Sales tax revenue for 2021 was budgeted based on a 20% reduction from the 2019 actuals. July receipts were lower than 2019 by 3.52% over all of the sales tax categories. The local sales tax categories are down, but have been offset by the large increase in the Use Tax and the Fire Sales tax rate increase from .25% to .50%. Mr. Harms explained the Park Fund is indicative of how the sales tax is performing because it specific to Des Peres and does not include a calculation to share the revenue with other municipalities. Year-to-date on a cash basis receipts are down -4.17% across all categories compared to the same period in 2019. This reflects receipts from January through July 2021.

The Director of Finance 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. She noted this breakdown is the totals before sharing with other municipalities, but the percentages by category give the best comparison to prior years. West County Center data shows the mall is up 37% and restaurants are up 42% compared to 2020, but both are still lower than 2019 totals.

Mr. Harms requested the year-to-date totals compared to 2019 also be included in the summary next month. Mr. Atkisson agreed that it would be helpful to have year-to-date totals because neighbors and other Des Peres residents frequently inquire about the status of the mall's performance.

Mr. Harms also informed the Committee that the Board of Aldermen are holding a meeting with a presentation about the future of retail malls on September 8th at the Lodge Des Peres. He invited Committee members to attend.

June 2021 Financial Statements: The Director of Finance and City Administrator are reviewing mid-year expenditures to determine if mid-year supplemental appropriations are needed. Ms. Hansen informed the Committee that none of the department's expenditures are over budget.

General Fund Revenues in the second quarter of 2021 are 4.72% higher compared to 2020. The Use Tax continues to exceed prior year revenues. Mr. Atkisson asked how the building fees were calculated and if there was an opportunity to increase revenue in this category. Mr. Harms stated by State Law the City is only allowed to recover the administrative cost of providing the building inspection service, such as the Building Official's salary. Also noted was the difference in interest rates between the maturing CDs of over 2% and the CDs that are being purchased for around 0.2%. The Director of Finance noted that although the interest is significantly lower, a benefit to purchasing new CDs is that the money is FDIC insured.

The Capital Fund has an ending fund balance of \$5.2 million. The Director of Finance noted that the majority of the capital improvement projects occur during the summer, so the City has not been invoiced for those services yet.

The Park Fund has a fund balance of \$2.5 million, \$1 million is restricted for capital improvement projects and \$1.5 million is unrestricted. The Director of Finance noted that this is still below the fund balance policy, but was hopeful it would be within the policy amounts by the end of the year. Lodge memberships are above 2020 by 40%, but are still less than 2019 memberships. Sports revenue is higher than 2019 due to new revenue streams created by the new tennis and pickle ball courts at Des Peres Park.

Mr. Harms noted the recent resignations at the Lodge have given the new Parks and Recreation Director the opportunity to restructure the hierarchy and promote 3 internal employees. The restructuring is estimated to save around \$117,000 in full-time salaries per year.

Janssen Property Update: The City Administrator informed the Committee that the City has submitted a bid to purchase the property next to Sugar Creek Park. There were 14 other bids for the property. The City should know if their bid was selected

within the next 30 days. Mr. Carver stated he was concerned with such a large purchase at this time.

Banking RFP Update: The Director of Finance informed the Committee that the City received 3 bids for banking services from JP Morgan Chase, Commerce Bank, and US Bank. A discussion commenced about the cost of current banking fees, how often the City changes banks and the complexity of the transition. Ms. Hansen will schedule presentations for at least 2 of the banks and will send an invitation to the Committee members if they would like to also attend. She would like to have a decision made by the August 23rd Board of Alderman meeting.

American Rescue Plan Act of 2021 Update: Mr. Harms stated the State of Missouri has finally requested the Federal Government release the funds from the American Rescue Plan Act and it is expected the State will receive the funds in 30 days. After the State of Missouri receives the funds, the City is expected to receive their distribution within 30 days. The City is waiting on final rules from the Federal Government and if there is an application process through the State of Missouri. Once more information is made available, the Board of Aldermen will meet to discuss how to utilize the funds.

Adjournment: The committee adjourned at 5:58 pm.

Next Meeting Date: The next meeting will be held on Wednesday, August 25th at 4:30pm via Zoom.

Respectfully Submitted,
Julie Lancaster
Accounting Supervisor

**AUDIT AND FINANCE COMMITTEE
AGENDA**

Wednesday, July 28th, 2021 at 4:30 PM

**[Audit and Finance Committee Livestream](#)
Zoom Passcode: 861369**

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. July 2021 Sales Tax Update
- III. June 2021 Financial Statements
- IV. Janssen Property Update
- V. Banking RFP Update
- VI. American Rescue Plan Act Update
- VII. 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.