



AUDIT & FINANCE COMMITTEE

MINUTES – October 26, 2020

The regular meeting of the Audit & Finance Committee was held Monday, October 26, 2020 at 4:30p.m. Those in attendance included:

Member	In Attendance	Absent
Randy Atkisson	x	
Rich Carver	x	
Ted McNulty		x
Katrina Pon	x-left early	
Katie White		x
Jim Kleinschmidt		x

Also in attendance were:

Tracy Hansen, Director of Finance

The Committee did not have a quorum, however, decided to continue with the meeting in order to provide timely financial information to the members that were able to attend. The Director of Finance asked if Committee members wanted to consider a different date for future meetings so all of the members could attend. The Committee is considering holding future meetings on the fourth Wednesday or Thursday of each month.

September Financial Statements: The Director of Finance emailed the September Financial Statements and Financial Summary to Committee members prior to the meeting. The City has a net decrease in fund balance of \$439,311 across all funds as of September 30, 2020. She noted that General Fund revenues were lower than budgeted due to lower sales tax and business license fees. Several businesses in Des Peres have closed in 2020. Business license revenue is expected to decrease in 2021 since the fee is calculated based on a business' prior year gross receipts. Expenditures in the general fund are flat compared to 2019. Several cuts were made at the beginning of the pandemic. However, an increase in expenditures, such as legal fees has made up for the cuts. Mr. Carver asked the source of the legal fees. The Director of Finance indicated the City had an increase in legal services relating to COVID-19 legislature, employment issues and a permitting issue in public works. Mr. Carver also recommended going out to bid for banking services since the City's banking fees have increased since 2019.

The Park Fund revenue is down 33.74% compared to last year. Expenditures in the Park Fund are lower because part-time employees were furloughed while the Lodge.

The Lodge has needed 100% of sales tax to operate because sales tax is down 20% YTD. The Board of Aldermen will need to look at releasing the restriction in the Park fund for Lodge related expenditures and long-term solutions to cut operating expenses.

Katrina Pon had to leave the meeting at 5:00pm.

COVID-19 and FEMA Update: The Director of Finance noted as of September 30th, the City has incurred \$279,290 in COVID related expenditures. The City has received \$36,959.68 and an additional \$15,850 has been approved by FEMA. Another \$15,000 in the Emergency Protection Measures project is pending approval. Unfortunately, \$20,000 of expenses that were submitted in the Emergency Management project was denied.

The City has received half of the awarded CARES reimbursement through the St Louis County Municipal Relief Program. The next step is to submit the supporting documentation. Once the documentation is approved, the City will receive the second half of the award. The total the City is eligible for is \$575,820.

Sales Tax Update: The Director of Finance presented the sales tax analysis as of October 2020 receipts (August sales tax at the register), Year to Date performance, and budget comparison. October receipts were higher than 2019 by 2.24% over all of the sales tax categories. The use tax has increased 48.6% over the prior year for October. The Director of Finance gave a breakdown of sales tax by category of West County Center, Restaurants and Grocery Stores to show the sources of sales tax revenue. The recovery at West County Center is still around 50% of prior year totals.

2021 Budget Update: The Director of Finance discussed several slides from the City Administrator's budget presentation for the Board of Aldermen. She noted the sales tax revenues for 2021 are budgeted 20% below the 2019 actuals. She will email the budget presentation to the Committee members. The next budget meeting for the Board of Aldermen will be held on Monday, November 2nd at 6pm. Committee members can attend by using the Zoom link on the City's website.

2020 Audit Update: The Director of Finance informed the Committee that interim fieldwork has been scheduled in December. The Director that has been on the City's account for several years, Karen Lenk, has left Schowalter and Jabouri. We will have a new Director and Manager on our Audit in March.

Adjournment: The committee adjourned at 6:15pm.

Next Meeting Date: The November and December meeting dates have not yet been determined.

October 30, 2020

Respectfully Submitted,
Julie Lancaster
Accounting Supervisor

AUDIT AND FINANCE COMMITTEE

AGENDA

Monday, October 26, 2020 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. September Financial Statements
- III. COVID-19 and FEMA Update
- IV. October Sales Tax
- V. 2021 Budget Update
- VI. 2020 Audit 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.