



AUDIT & FINANCE COMMITTEE

MINUTES – February 22, 2023

The regular meeting of the Audit & Finance Committee was held Wednesday, February 22nd 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	
Connor Ward	x	
Jim Kleinschmidt		

Also in attendance were:

Tracy Hansen, Director of Finance

Schwalter and Jabouri Pre-Audit Communication: Christina Jacquin with Schwalter and Jabouri completed the required pre-audit communication with the Committee. She presented the timeline, audit process, areas of emphasis, and fraud considerations for the upcoming audit. The auditors will be on site starting March 13th and will present to the Board of Aldermen and Audit and Finance Committee at the completion of the audit. Mrs. Jacquin also gave her contact information to the Committee and encouraged them to reach out to her if they have any questions or concerns. The Director of Finance notified the Committee there will be a full Single Audit this year.

February Sales Tax: The Director of Finance gave an update of February sales tax receipts (December at the register). February sales tax has an increase of 24.40% or \$436,301 higher than February 2022. The holiday season was a strong one.

Accrual year-to-date reflects twelve months at the register (January- December). Accrual basis shows receipts 11.68% higher than 2021. The Park Fund is a good indicator of only Des Peres activity and is performing 10.82% better than the same period of 2021. Use tax is 11.68% higher than the same period last year. This is likely the result of more merchants paying online sales tax. All online merchants are required to collect Missouri sales tax as of January 1, 2023.

Across all sales tax categories actual revenue exceeded budget by 13.13%, or \$1.9 million.

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.

Mr. Dolezalek asked for a copy of the updated use tax chart that was presented. The Director of Finance will send this to Committee members.

Pension Study Update: The Director of Finance informed the Committee that a petition was presented to the Board of Aldermen by a group of City of Des Peres' employees requesting a review of the City's retirement. The petition specifically requested the City re-evaluate the current defined contribution plan and consider changing to a defined benefit plan. She stated the City has requested pricing from LAGERS, a State of Missouri run plan that most other Cities in the area use. The City hired Retirement Plan Advisors to provide education to employees on the differences of the defined benefit plan and defined contribution plan. Mr. Carver recommended asking the City of Manchester for details on their plan since they recently joined LAGERS. Ms. Hansen stated they have begun surveying other St Louis area cities that are in LAGERS and will provide the data to Committee and the Board of Aldermen. Mr. Dolezalek asked if management knew how employees that didn't sign the petition felt about a defined benefit plan. Ms. Hansen stated that employees at the Lodge and at City Hall were not provided the opportunity to sign the petition. She stated that there are employees that have voiced concerns about changing the retirement plan.

Other Items Discussed: Mr. Atkisson asked Mr. Kleinschmidt for an update on Board of Aldermen items such as apartments and recreational marijuana. Mr. Kleinschmidt stated that the Board of Aldermen have approved a change in code to allow apartment buildings in Des Peres. The Magnolia Ridge apartment request will now need to go through planning and zoning for their specific project. Mr. Kleinschmidt stated that a moratorium has been issued for 90 days relating to recreational marijuana so that the Planning and Zoning Commission can make any changes to the conditional use permit requirements. The Board of Aldermen hope to vote on the proposed changes at the April meeting. Mr. Kleinschmidt noted the City can ask residents if they want to ban recreational marijuana in Des Peres on the November 2024 ballot. Mr. Carver asked if the City placed an additional tax on Cannabis. Ms. Hansen stated she thinks the tax is on the April 2023 ballot, but will confirm the information and follow up with the Committee.

The Director of Finance also wanted to update the Committee on the government building projects: City Hall Renovation, Public Safety Renovation, new building at the Street Garage. They have already begun survey work, plumbing and electrical reviews. The City Hall building potentially has plumbing issues with the pipes under

the basement. Bonds will be issued at some point for the Public Safety building project. The bond interest rates have been decreasing.

Adjournment: The committee adjourned at 5:40 pm.

Next Meeting Date: The next meeting will be held March 22nd at 4:30pm via zoom.

Respectfully Submitted,
Julie Lancaster
Accounting Manager

AUDIT AND FINANCE COMMITTEE

AGENDA

Wednesday, February 22nd 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. Schowalter and Jabouri Pre-Audit Communication
- III. Sales Tax Update
- IV. Pension Study 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.

February 28, 2023