

CITY OF SUNSET HILLS

FINANCE COMMITTEE

AGENDA

July 12, 2021

5:30 P.M.

Location: Sunset Hills City Hall

1. ROLL CALL

2. APPROVAL OF THE MINUTES

Approval of the minutes of the June 14, 2021 Finance Committee meeting.

Documents:

[6.14.21 FINANCE MEETING MINUTES - DRAFT.PDF](#)

3. PROPOSED ADDITION OF RESTRICTED FUND FOR PROP P REVENUES

Documents:

[BILL NO 8 PROPOSITION P ORD 6.17.21.2.PDF](#)

4. MEDICAL INSURANCE FORECASTED COSTS FOR OCTOBER 1, 2021 TO SEPTEMBER 30, 2022

Documents:

[MEDICAL INSURANCE PREMIUMS 10.01.21 TO 09.30.22.PDF](#)

5. ADJOURNMENT

MINUTES OF THE REGULAR MEETING OF FINANCE COMMITTEE OF THE CITY OF SUNSET HILLS, MISSOURI HELD ON MONDAY JUNE 14, 2021

Meeting convened at 5:43 p.m.

Place of meeting: Via Zoom.

The Finance Committee of the City of Sunset Hills, Missouri met in open session. Pro tem Chairman Alderman Fred Daues, Member Mark Colombo, Member Mike Fitzgerald, Member Jeff Camilleri, Finance Director, Susanna Messmer, City Administrator Brittany Gillett, Sikich Engagement Partner, Angela Dorn and Sikich CPA Jeff Trentmann, were personally in attendance. Absent: Alderman Joe Stewart, Member Mike Sawicki

Approval of Minutes

Member Fitzgerald made a motion to approve the minutes from the April 26, 2021 Finance Committee meeting. Member Colombo seconded the motion and it was unanimously passed.

2020 Audited Financial Statements draft review with Sikich engagement partner, Angela Dorn

Ms. Angela Dorn introduced herself as an auditor for the City with the Sikich Audit firm, formerly Hochschild Bloom & Co. Ms. Dorn began by explaining the Independent Auditors report, which included governmental activities, each major fund and the aggregate remaining fund information of the City. She explained that management was responsible for the financial statements, and that their responsibility as auditors was to express opinions on the statements based on their audit.

Ms. Dorn stated the City's financial statements were fairly presented in all material respects.

- a. Respective financial position of governmental activities
- b. Each major fund
- c. Aggregate remaining fund information as of 12/31/2021

Ms. Dorn explained this was an unmodified, unqualified opinion and the highest form of assurance on the City's position. She reviewed additional reports done on internal controls, regulations, contracts and grant agreements.

Ms. Dorn stated the Management Discussion Analysis section was a great place to get an overview of how the City is doing. Ms. Dorn explained that the City's net position increased by \$891,072.00 during the fiscal year, and the fund balances increased by \$1,083,507.00 from the previous year. She stated the combined fund balances as of the end of the fiscal year were \$11,633,221.00.

Ms. Dorn stated the City's general fund had a change in fund balance of 1.2 million compared to a deficit in the previous year of \$68,000. She attributed some of this to the CARES Act funds received in the amount of \$584,278.00, and a private donation in the amount of \$500,000.00. Ms. Dorn stated while all revenues had an overall decrease, the expenditures associated with them also dropped.

Alderman Daues asked for clarification on the net position increase, he asked if the City's Fund balances would be essentially the same as the previous year without the donation and relief funds. Ms. Dorn confirmed yes.

Ms. Dorn further reviewed the Funds;

Capital Projects Fund had an increase of \$330,000.00 compared to a deficit of \$128,000.00 from 2019.

County Road Fund had a deficit of \$125,000.00 compared to a deficit of \$30,000.00 in 2019.

Storm Water/ Parks Fund had a deficit of 325,000.00 compared to a deficit of 296,000.00 in 2019.

Ms. Dorn reviewed the Condensed Financial Statements and explained that they looked at the City's operations as a whole, all funds combined. She continued to review the assets and liabilities. Ms. Dorn stated liabilities decreased by 1.1 million dollars, which showed the City was paying off debt and not incurring new debt.

Ms. Dorn stated the City's overall net position increased compared to the prior year, she then reviewed the condensed Statement of Activities. She explained the revenues were down compared to the previous year and that the numbers were a reflection of the circumstances of which we were living in due to Covid-19 and its effects on the economy. She also stated due to the City's reduction of overall expenditures, the City ended up with a positive net position of \$891,072.00, which was an increase of \$107,000.00 from the previous year. This brought the City's net position to \$33.9 million dollars.

Ms. Dorn reviewed the notes sections of the financial statement report. Member Fitzgerald asked about the overfunding of the pension plan. Ms. Dorn explained the \$1,693,276.00 in overfunding was an asset.

Ms. Dorn reviewed the report on Federal award, she stated the City spent \$933,023.00 in Federal expenditures, therefore, requiring a single audit. Ms. Dorn stated in their opinion, "the schedule of expenditure of federal awards was fairly stated in all material respects in relation to the basic financial statements as a whole."

Ms. Messmer asked Ms. Dorn to go over the Internal Control report, Ms. Dorn stated they did not find any deficiencies in internal control over compliance that they would consider a weakness.

Ms. Messmer then asked Ms. Dorn to go over the Management Letter report. Ms. Dorn stated everyone at the City was very helpful in assisting with the audit and that the financial statements were neutral, consistent and clear, and that they encountered no difficulties in performing and completing the audit. She extended her thanks to staff. Ms. Dorn explained that while there were no deficiencies listed, they did have a few comments they felt could improve the City's internal control process.

1. Show Me Court bond report reconciliation
2. Documented review and approval process
3. Parks Department receipts approvals
4. Verification of new businesses in the City

There was a brief discussion with Alderman Daues in reference to implementing these recommendations.

Ms. Messmer addressed questions regarding the driving range income. She explained that the funds come to the city via ACH. Alderman Daues asked if the City should only take credit cards instead of cash. Ms. Dorn stated she didn't feel that was necessary.

There was a brief discussion on the accounting software Ms. Messmer used. Ms. Messmer stated she used Incode 10 and felt it was a great general ledger program and was very user friendly.

Member Colombo thanked Ms. Messmer and Ms. Gillett for their hard work.

Ms. Dorn explained the statements were still going through their quality control department and that there would be a few changes and then she would forward it to Ms. Messmer.

Alderman Daues asked about a report that would simplify the financial statements for members who were not from an accounting background. There was discussion of a potential profit and loss report being generated.

Member Fitzgerald stated he was looking forward to reviewing the Missouri Lagers report. Ms. Messmer stated she would keep an eye out for the new report on their site and provide it when it was available.

Ms. Gillett thanked Ms. Dorn and Mr. Trentmann for their presentation and they left the meeting.

2021 financial review with proposed budget adjustments

Ms. Messmer reviewed the proposed adjustment items in Ms. Gillett's memo. Member Fitzgerald asked if there were any major items in the Public Works department. Ms. Messmer answered no, however there were additional items that came up.

1. Police uniforms at \$9,000.00 and a speed trailer with data gathering equipment \$12,000.00
2. John Deere Gator \$17,500.00
3. Newsletter budget adjustment for unbudgeted mailing costs

Ms. Messmer reviewed the personnel pay grade and classification changes.

Member Fitzgerald made a motion to recommend the proposed budget adjustments to the Board of Aldermen. Member Colombo seconded the motion and it was unanimously approved.

Ms. Gillett asked for a recommendation from the Committee to implement the CBIZ pay scale to take to the Board of Alderman.

Member Colombo made a motion to approve the CBIZ pay scale. Member Fitzgerald seconded the motion and it was unanimously approved.

Member Colombo asked how the revenues were looking for this year compared to 2019. Ms. Messmer replied they were close to the same amount as 2019. There was additional discussion on sales tax generated by the auto dealerships in the city. Ms. Gillett stated they would report back once they received clarification from the DOR.

Adjournment

Member Fitzgerald made a motion to adjourn the meeting. Member Colombo seconded the motion and it was unanimously approved. Meeting adjourned at 7:23 p.m.

Deputy City Clerk- Lori Stone

BILL NO. 08

ORDINANCE NO. _____

AN ORDINANCE PROVIDING FOR A SEPARATE FUND FOR PROPOSITION P TAX RECEIPTS AND TRACKING INCOME AND EXPENDITURES THEREFROM.

WHEREAS, the voters of St. Louis County, Missouri approved Proposition P on April 4, 2017; and

WHEREAS, Proposition P imposed a one-half of one percent sales tax for the purpose of providing funds to improve police and public safety in St. Louis County and each of the municipalities in St. Louis County; and

WHEREAS, the Board of Aldermen deems it necessary and expedient to establish a separate fund for revenue from Proposition P taxes and providing for tracking of income and expenditures therefrom.

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF SUNSET HILLS, MISSOURI, AS FOLLOWS:

Section 1: There is hereby established a separate fund for deposit of tax receipts from the Proposition P sales tax approved by St. Louis County voters on April 4, 2017. The Board of Aldermen restricts the fund for the Sunset Hills Police Department related expenditures and capital outlays. The Board of Aldermen shall also establish a fund balance policy.

Section 2: All income and expenditures from the Proposition P fund shall be separately stated in all budget materials prepared and disseminated by the City of Sunset Hills.

Section 3: This Ordinance shall take effect on January 1, 2022 and shall remain in effect until the tax sunsets, is reversed by St Louis County, or changed by the Sunset Hills Board of Alderman.

PASSED THIS ____ DAY OF _____, 2021.

MAYOR

APPROVED THIS ____ DAY OF _____, 2021.

MAYOR

ATTEST:

CITY CLERK/CITY ADMINISTRATOR

MEDICAL INSURANCE - ANTHEM COSTS

	Oct 1, 2020 to Sep 30, 2021			Oct 1, 2021 to Sep 30, 2022			% change			# of Employee	2021 Employno Cost			2022 Employer Cost		
	Total Cost	Employer Share	Employee Share	Total Cost	Employer Share	Employee Share	Total Cost	Employer Share	Employee Share		1st 9 Months	Last 3 months	Total	1st 9 Months	Last 3 months	Total
I. Health Savings Plan *																
Employee is Non-Smoker																
Employee	\$ 393.06	\$ 384.72	\$ 8.34	\$ 413.11	\$ 404.34	\$ 8.76	5.1%	5.1%	5.1%	21	\$ 72,713	\$ 25,474	\$ 98,186	\$ 76,421	\$ 26,365	\$ 102,786
Employee +1	\$ 786.11	\$ 604.82	\$ 181.29	\$ 826.20	\$ 635.67	\$ 190.53	5.1%	5.1%	5.1%	5	27,217	9,535	36,752	28,605	9,869	38,474
Employee + Children	\$ 687.85	\$ 549.61	\$ 138.24	\$ 722.93	\$ 577.64	\$ 145.29	5.1%	5.1%	5.1%	2	9,893	3,466	13,359	10,397	3,587	13,985
Family	\$ 1,080.91	\$ 770.85	\$ 310.06	\$ 1,136.04	\$ 810.16	\$ 325.88	5.1%	5.1%	5.1%	2	13,875	4,861	18,736	14,583	5,031	19,614
Employee is Smoker																
Employee	\$ 393.06	\$ 353.61	\$ 39.45	\$ 413.11	\$ 371.65	\$ 41.46	5.1%	5.1%	5.1%	2	6,365	2,230	8,595	6,690	2,308	8,998
Employee +1	\$ 786.11	\$ 573.71	\$ 212.40	\$ 826.20	\$ 602.97	\$ 223.23	5.1%	5.1%	5.1%	0	-	-	-	-	-	-
Employee + Children	\$ 687.85	\$ 518.50	\$ 169.35	\$ 722.93	\$ 544.94	\$ 177.99	5.1%	5.1%	5.1%	3	13,999	4,904	18,904	14,713	5,076	19,790
Family	\$ 1,080.91	\$ 739.74	\$ 341.17	\$ 1,136.04	\$ 777.46	\$ 358.57	5.1%	5.1%	5.1%	1	6,658	2,332	8,990	6,997	2,414	9,411
Employer Contribution to Health Savings Account													72,000			72,000
Total Health Savings Costs													275,522			285,057
																103.5%
II. PPO/HRA Plan																
Employee is Non-Smoker																
Employee	\$ 567.49	\$ 544.49	\$ 23.00	\$ 596.43	\$ 572.26	\$ 24.17	5.1%	5.1%	5.1%	10	49,004	17,168	66,172	51,504	17,769	69,272
Employee +1	\$ 1,134.97	\$ 864.25	\$ 270.72	\$ 1,192.85	\$ 908.32	\$ 284.53	5.1%	5.1%	5.1%	0	-	-	-	-	-	-
Employee + Children	\$ 993.09	\$ 784.22	\$ 208.87	\$ 1,043.74	\$ 824.22	\$ 219.52	5.1%	5.1%	5.1%	5	35,290	12,363	47,653	37,090	12,796	49,886
Family	\$ 1,560.58	\$ 1,104.54	\$ 456.04	\$ 1,640.17	\$ 1,160.88	\$ 479.29	5.1%	5.1%	5.1%	7	69,586	24,378	93,965	73,135	25,232	98,367
Employee is Smoker																
Employee	\$ 567.49	\$ 513.47	\$ 54.02	\$ 596.43	\$ 539.66	\$ 56.77	5.1%	5.1%	5.1%	5	23,106	8,095	31,201	24,285	8,378	32,663
Employee +1	\$ 1,134.97	\$ 833.23	\$ 301.74	\$ 1,192.85	\$ 875.72	\$ 317.13	5.1%	5.1%	5.1%	0	-	-	-	-	-	-
Employee + Children	\$ 993.09	\$ 753.20	\$ 239.89	\$ 1,043.74	\$ 791.62	\$ 252.12	5.1%	5.1%	5.1%	2	13,558	4,750	18,307	14,249	4,916	19,165
Family	\$ 1,560.58	\$ 1,073.52	\$ 487.06	\$ 1,640.17	\$ 1,128.27	\$ 511.90	5.1%	5.1%	5.1%	1	9,662	3,385	13,047	10,154	3,503	13,658
Total PPO/HRA Costs													270,345			283,011
																104.7%
TOTAL HEALTH INSURANCE													\$ 545,867			\$ 568,068
																104.1%