

MINUTES OF THE REGULAR MEETING OF FINANCE COMMITTEE OF THE CITY OF SUNSET HILLS, MISSOURI HELD ON JUNE 5, 2023

Meeting called to order at 5:37 p.m.

Place of meeting: City Hall Council Chambers

The Finance Committee of the City of Sunset Hills, Missouri met in open session. Chairman, Alderman Brian Fernandez, Alderman Fred Daues, Member Mike Fitzgerald, Member Mark Colombo, Member Jeff Camilleri, Member Mike Sawicki, Finance Director, Susanna Messmer, Assistant Finance Director, Jeff Trentmann, City Administrator, Brittany Gillett, were in attendance.

2022 Audit Report Presentation

Here to present from Sikich LLP are Angela Dorn and Steve Tripi. The auditors presented a draft copy of the 2022 financial statements for the City. The audit opinion stated the financial statements were fairly presented. The City's net position at December 31, 2022 was \$39,258,602, a net increase of \$1,857,211. A discussion was held relating to investments, custodial credit risk and the City's potential exposure. The auditor's presented the City's yellow-book letter, adjusting entries, uncorrected misstatements, and management letter comments to the committee.

Motion was made to approve the audit report and recommend the Board of Alderman approve the final report by Member Colombo, seconded by Alderman Daues. All ayes in favor of approval of the motion.

Approval of Minutes:

Member Colombo made the motion. Seconded by Alderman Daues. All ayes in favor of approval of the March 9, 2023 minutes.

Cash & Investment Management Update

Assistant Finance Director Trentmann presented to the committee a comparison of the City's investments as of April 30, 2022 and April 30, 2023. He stated the City has opened MOSIP accounts for the General Fund and ARPA fund in May and the interest earned on the first month was \$11,249.50. The Department of the Treasury has stated City's can hold the ARPA funds in interest bearing accounts until they are spent and the funds are not restricted. Currently the interest rate on the City's MOSIP accounts is 4.98%. The City has one security maturing on June 8, 2023 for \$1,000,000 which the City will look to either reinvesting in a short term Treasury security, or move to the General MOSIP liquid account.

Discussion started by Finance Director Messmer regarding whether the City has a need for an investment advisor and if the City wants to continue with it's current advisor, Arbitrage Management Group. Several members of the committee expressed interest in retaining an investment advisor for the City, however noted that starting on an RFP for investment advisor services should be considered. City Administrator Gillett commented the City can look into an RFP in the future if that is the committee's desire.

No motions were made.

2024 Budget Process Timeline Review

Finance Director Messmer presented on the City's current budgetary process, which is consistent with prior years. She stated the City will be working on a Mid-Year budget adjustment. Department heads

will submit their requests to Finance in August. The budget will be submitted during the joint Board of Alderman and Finance Committee meeting in September. The budget will be read for the first time at the November meeting and the second reading to follow in the December meeting.

No motions were made.

Proposed Ordinance for Maintenance of Utility Tax Rates

City Administrator Gillett discussed a notice the City received recently regarding Missouri American Water's rate increase and subsequent required action by the City according to the Revised Statutes of Missouri Section 393.275.2. If a utility increases its rates by more than 7%, the City is required to either reduce its business license utility tax rate to maintain the same level of revenues as the preceding twelve months plus a growth factor or maintain the current business license utility tax rate by enacting an ordinance ordering as such. The growth factor shall be equal to the average of the additional revenue received in each of the preceding three years. Member Camilleri inquired how much tax revenue the City would lose if the an Ordinance wasn't passed. Asst. Finance Director Trentmann noted it was estimated at over \$60k, including residential and non-residential. Per Missouri American Water's Public Service Commission Noted, the annual tax would be expected to increase 30.3%.

Motion to Member Colombo to enact the Ordinance to maintain the tax rate, seconded by Member Sawicki. All ayes in favor of approval of the motion.

Other Matters

Alderman Fernandez discussed the possible needed budget increase for police vehicles. City Administrator Gillett noted that this increase will be part of the Mid-Year Budget Adjustment mentioned in the meeting.

Discussion was held regarding the recent finalizing of the legal settlement and how the amount decreased from \$509k to \$330k. City Administrator Gillett noted that was a decision made by all parties involved.

Adjournment

Alderman Daues made a motion to adjourn the meeting, seconded by Member Colombo and it was unanimously approved.

Meeting adjourned at 7:12 p.m.