

MINUTES OF THE REGULAR MEETING OF FINANCE COMMITTEE OF THE CITY OF SUNSET HILLS, MISSOURI HELD ON MONDAY MARCH 2, 2021

Meeting convened at 5:33 p.m.

Place of meeting: Via Zoom.

The Finance Committee of the City of Sunset Hills, Missouri met in open session. Chairman / Alderman Mark Colombo, Member Jeff Camilleri, Alderman Joe Stewart, Finance Director, Susanna Messmer, and City Administrator Brittany Gillett, were personally in attendance. Absent: Member Mike Sawicki, Member Mike Fitzgerald

Approval of Minutes

Approval of the minutes of the January 25, 2021 meeting were tabled until a quorum of the members that were in attendance of the meeting were present.

2020 Budget Adjustment

Ms. Messmer presented the proposed final 2020 Budget Adjustment. This adjust is prepared after completion of the 2020 funds financial statements. It includes all expenditures variances greater than five thousand dollars regardless of the direction.

The net result is a favorable adjustment \$1,338,192. Key drivers are the Cares Act Grant of \$584,278 disbursed by St. Louis County via the Federal Government as well as the Stieren family donation of \$500,000. Other favorable factors include deferment of capital outlays and maintenance items; and postponement of hiring officers or filling vacancies as well as lower salaries for the newly hired officers.

A partial offset to the positive factors was the 27th period of payroll expenses, which was necessary due to changing the payroll policy from a "paid to date" basis to a "paid two weeks in arrears" basis. The accounting impact is recognition of 27th payroll period expense in 2020, approximately \$198,000.

Ms. Messmer also explained there were several re-classes of expenditures, which was essentially cleaning up the accounts.

Alderman Stewart asked who set the five-thousand-dollar limit. Ms. Messmer explained that she set the limit based on the size of our organization and reasonableness.

Alderman Stewart asked if there were any items that showed favorable or unfavorable due to the reclassing. Ms. Messmer stated there was \$10,500 moved from the General fund to the Capital Improvements fund and were minor in nature.

Ms. Messmer stated there was also a reclass of the Parks and Storm Water project for the I-44 Pedestrian Bridge. The project was budgeted at \$800,000, both in revenue and expenditures, however the project is not as far along as anticipated. She stated the reclass was between the revenue and expense with a net of zero.

Alderman Stewart asked about the accounting treatment of grant revenue and related expenditures. Ms. Messmer stated that up until 2019, this had been on a modified accrual basis, however our auditor recommended

a full accrual basis. Therefore, beginning 2019, the City report grants and related expenditures on a full accrual basis.

Alderman Stewart made a motion to approve the Budget Adjustments for 2020. Member Camilleri seconded the motion and it was unanimously approved.

Other Matters

Alderman Colombo asked if everything was ready for the audit. Ms. Messmer stated the audit was scheduled for the last week in April, and that the City would also be doing a Federal audit due to receiving Grant proceeds in excess of \$750,000. Alderman Colombo asked if that was something new, Ms. Messmer stated no, however the last time we did a Federal Audit was 2017.

Adjournment

Member Camilleri made a motion to adjourn the meeting. Alderman Stewart seconded the motion and it was unanimously passed. Meeting adjourned at 5:50 p.m.

Deputy City Clerk- Lori Stone