

WAYS & MEANS COMMISSION MINUTES
CITY OF TOWN & COUNTRY, MO
June 4, 2021
Via Zoom Videoconference
8:30 AM

Given the current public health crisis, various emergency meeting declarations, and in accordance with the provisions of Sec. 610.020, RSMo., this Ways and Means Commission meeting was held via Zoom videoconference and streamed live to YouTube. Public comments on agenda items were solicited via email. Real-time public viewing of the meeting was made available via the City's website at www.town-and-country.org.

MEMBERS:	<u>Ward 1</u>	<u>Ward 3</u>
Alderman Sue Allen, Chairperson	Randi Weber	Hans Fredrickson
Mayor Charles H. Rehm, Jr. (Absent)	Bob Aikin	John Wichlenski (Absent)
Finance Director Pam Reitz	<u>Ward 2</u>	<u>Ward 4</u>
City Administrator Bob Shelton	Oz Conrad	Bob Proost
	Michael Goldberg (Absent)	Don Roberts (Absent)
		Janine Fabick (At-Large)

OTHERS PRESENT:
Communications and Administrative Assistant Morgan Kuepfert
Finance Director Joan Jadali

1. Call to Order

Alderman Allen called the meeting to order at 8:32 a.m. and the roll as noted above was taken. There was a quorum.

Alderman Allen requested a motion to allow for public comments. Mr. Proost moved to allow for public comments, seconded by Mr. Fredrickson and approved. Ms. Kuepfert noted for the record that no requests for public comments were received for this meeting.

Mr. Shelton introduced Joan Jadali, who is the new Finance Director and gave background information on her education and work history. Ms. Jadali stated that she is excited to be working for Town and Country and looks forward to the future with the City.

2. Approval of Minutes from April 30, 2021

Mr. Conrad moved approval, seconded by Mr. Fredrickson and approved.

3. Presentation of the 2020 Financial Audit – Christina Jacquin, Showalter & Jabouri

Ms. Jacquin, Audit Manager with Showalter & Jabouri, was present to give the presentation of the 2020 financial audit. Ms. Jacquin also welcomed Steve Tripi, Showalter & Jabouri to the meeting. A copy of the audit presentation is attached to the Minutes for the record.

Mr. Shelton stated that the note on internal controls with regard to the Municipal Court was due to a state mandated change from Senate Bill 5, which requires more financial control within the courts.

Brief discussion was held relating to the disaster recovery plan, and Mr. Shelton noted that \$100,000 was budgeted for IT infrastructure improvements for 2021. Ms. Jacquin noted that they do not look at any IT audits, but rather suggest operating procedure and best practice.

A question was asked regarding the new accounting guidance for leases and the impact of recording these leases related to Governmental Accounting Standards Board (GASB) Statement #87, *Leases*. Ms. Jacquin indicated that both operating and capital leases are to now be combined and recorded in the government-wide financial statements. She stated that there will be an impact in that both types of leases will be recorded, but they are recorded as both a liability and an asset, so there will be little effect to the bottom line.

4. Selection of a Vice Chairman

Mr. Proost nominated Mr. Fredrickson to serve as Vice Chairman, and moved approval. The motion was seconded by Mr. Conrad and unanimously approved.

5. Fire/EMS Task Force Update

Mr. Shelton stated that the Fire & EMS Task Force met yesterday and continued their review of all scenarios. After lengthy discussion, the Task Force voted to recommend consideration of options 4; City builds and pays for the additional operating costs of 2 fully staffed stations, and 5/6; annexation into the Fire District.

Alderman Allen stated that another Ways and Means meeting should be scheduled to review the financial implications of the options more in depth. The Ways and Means Commission will meet on June 16th at 8:30 a.m. for review of the Fire & EMS Task Force recommendations.

6. Review of April Financial Report

Ms. Reitz reviewed the financial report from April 2021.

7. Public Works Management Audit Update

Mr. Shelton stated that Management Partners audit is underway, and they have conducted

interviews and gathered information.

8. State Petition Audit Update

Mr. Shelton stated that the audit has begun and is in full swing this week. Each department has been requested to provide information and interviews with key staff of all departments are being conducted. The State Auditors will make their official entrance at the June 14th Board of Aldermen meeting and will be on site all day on June 15th. Mr. Shelton also noted that the cost for this audit will be a 2022 budget item at the initial estimated cost of \$130,000, and any cost above that will require additional appropriation.

Ms. Fabick inquired if the staff would require any additional assistance during this audit, and Mr. Shelton stated that although Ms. Reitz is retiring, she is going to stay on as a consultant and assist through the audit. Mr. Shelton also stated he anticipates additional expenses such as legal in response to the State Audit. In response to additional questioning, Mr. Shelton stated that there are 5 individuals from the State Auditor's office working on Town and Country's audit, and that it is not clear at this time how or when any final presentations will take place.

Additional discussions were held relating to updates on the Wayfair Tax, and Mr. Shelton noted that the State has authorized it, and if/when the Governor signs the bill, municipalities have the ability to adopt the tax via a vote of the residents.

With regard to any additional federal relief funds, Ms. Reitz noted that she believes the City can use sales tax loss as a backup for any funds the City may be eligible for, which at this point is estimated at \$2MM. The expense/revenue loss justification can be spread over a 4-year time frame. Ms. Reitz reminded the Commission that this is a non-recurring source of revenue and should not be built into any ongoing costs.

Mr. Conrad inquired on any new business in Town and Country, and Mr. Shelton stated that REI has submitted plans to move into Town and Country Crossing and taking the space of the former Stein Mart. He further noted that he is not aware of any loss of businesses.

9. Adjourn

At 9:34 AM, Mr. Fredrickson moved to adjourn, seconded by Mr. Conrad and approved.