

**MINUTES OF THE REGULAR MEETING OF FINANCE COMMITTEE OF THE CITY OF SUNSET HILLS,
MISSOURI HELD ON THURSDAY MARCH 10, 2022**

Meeting convened at 5:31 p.m.

Place of meeting: Zoom

The Finance Committee of the City of Sunset Hills, Missouri met in open session via Zoom. Chairman, Alderman Joe Stewart, 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.

Approval of Minutes:

Alderman Daues made a motion to approve the minutes from the November 29, 2021 Finance Committee meeting. Member Fitzgerald seconded the motion and it was unanimously approved.

2021 Budget Adjustments:

Ms. Messmer stated expenditures were required to be budgeted per Missouri State Statute, therefore as practice the City makes budget adjustments after the books are finalized to close the gap between actual and budget. Ms. Messmer stated the rule of thumb was to look at all variances greater than three thousand dollars and ask for a budget adjustment for the difference.

Ms. Messmer reviewed the proposed budget adjustments.

General Fund: fund adjustment requested was favorable \$388,274.00

Capital Fund: fund adjustment requested was favorable \$478,159.00

Road Fund: fund adjustment requested was favorable \$18,138.00

Storm/Parks Fund: fund adjustment requested was favorable \$85,340.00

Ms. Messmer explained the I-44 bridge project grant revenue offset the unbudgeted expenditure.

Member Sawicki made a motion to approve the adjustments.

Chairman Stewart asked if there was a difference due to moving money between accounts.

Ms. Messmer explained during the course of the year expense revenue is one fund, expenditures are in another, the amendments true up the activity between the accounts.

Member Fitzgerald asked if the over expenditures in the budget were due to under spending caused by project timing the previous year. Ms. Messmer explained yes, and that the budget would be adjusted to reflect the difference in timing.

Ms. Messmer asked Mr. Trentmann to discuss the process of budget adjustments and how they were managed in other cities.

Mr. Trentmann explained the amendment process and that the principle was common place with other Cities.

Member Stewart asked how the three-thousand-dollar limit was set? Mr. Trentmann stated it was arbitrary and they were trying to find a good balance.

Member Sawicki asked about encumbrances. Ms. Messmer stated she did not see the value of doing them in our situation. Mr. Trentmann stated they were not very common in other cities. He further explained the payables were accrued.

There was discussion on using encumbrances. Ms. Messmer stated they could look into using them if the committee would like.

Chairman Stewart asked if the variances and percentages could be added into the amendments worksheets for clarity. Ms. Messmer stated she would add those in. Chairman Stewart asked for a review of any extraordinary items shown. Ms. Messmer reviewed the Parks part time budget and stated it was favorable by \$96,000.00. She explained the revenue and expenses related to personnel were down due to business not returning to 2019 levels.

There was discussion on recognizing donations, grants and ARPA funds. Ms. Messmer stated that none of the ARPA funds from 2021 had been spent yet. She explained they asked the audit firm if the proceeds could be recognized as revenue or if it was deferred to the future where it would be earned by spending it. Mr. Trentmann stated they were still waiting to hear back from the auditors.

Member Colombo stated he felt there should be a clinic for the Board of Aldermen who were still unfamiliar with the City Accounting practices. He stated he felt this was important so that the members were educated on the standard accounting practices used, and to limit incorrect statements or assumptions made about them.

Member Fitzgerald seconded Member Sawicki's motion to approve the budget adjustments and it was unanimously approved.

Ms. Gillett explained this month was the quarterly finance review in the newsletter and how did they feel about posing the question "Is the City of Sunset Hills running a deficit?" and explain what has happened year over year since 2019. Member Colombo stated he was in favor of this specifically due to all the hard work the committee had put in over the past three years and the negative commentary in the Call Newspaper. Chairman Stewart asked for the Finance Committee to review the article before it went to publication. Ms. Gillett stated she would send a copy and also provide the Board of Aldermen with the information.

There was discussion on meeting frequency and future discussion topics. Chairman Stewart stated the next meeting would be in person and asked Ms. Messmer to put something on the calendar.

The next Finance meeting is tentatively scheduled for May 23, 2022 5:30 pm in person.

Adjournment

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

Meeting adjourned at 6:20 p.m.

Deputy City Clerk- Lori Stone