

Minutes of Finance Committee Meeting on March 23, 2021

The meeting was called to order by Chairman Clutter at around 2:00 PM.

Committee members in attendance include City Administrator, Michael Padella, City Treasurer, Sue Steiger, Bruce Robb, Pat Schuknecht, Alderman Tom Yeager, Mayor Don Licklider, and Alderman Andy Clutter.

Cindy Bates of Bates CPA, who performed the fiscal year audit for 2020, also was present.

Minutes from the August 25, 2020, Finance Committee Meeting was reviewed. A motion was made by Tom Yeager and seconded by Pat Schuknecht to approve the minutes as submitted. The motion was approved with one abstention.

The committee discussed the Financial Audit for fiscal year 2020. The audit identified and recommended two items. The first item is to address the weekly reconciliation the City Treasurer does with the bank statement. This issue may be related to the G-works (i.e. formerly Summit) program. The G-works program is used by many other municipalities. The "Cash Report", generated from the G-works program, is generated from the Bank Reconciliation Module. If the report is out of balance, the City Treasurer runs additional reports called the "Bk to GL reconciliation" and the "Audit & Corrections" which show a list of all transactions on the GL side to those on the Bk (i.e. Bank) side. Any unmatched items are discrepancies, which need to be identified by the City Treasurer. Many of the discrepancies are easily and quickly corrected in-house by the City Treasurer. Other discrepancies require the City Treasurer to consult with G-works personnel, which may result due to errors in the G-works computer program. The City is now investigating with G-works personnel on what causes the errors and will make recommendations on how to avoid generating the errors in the future. The Finance Committee believes the number of daily reconciliations needs to be dramatically reduced and hopefully eliminated. It was recommended by both the auditor and the City Treasurer that if the reconciliation is done daily and/or weekly, it will be easier to note if there is an error in the G-works program or if there is a procedural change in the record accounting that needs to be made by

Weldon Spring. NOTE: According to Sue, Steiger, the City Treasurer, she has routinely had to do the reconciliation process since she became the City Treasurer some six years ago. The auditor, the City Treasurer, and members of the Finance Committee believe there is a need for reducing the frequency and the number of discrepancies requiring reconciliation.

Tom Yeager made a motion recommending the daily reconciliation by the City Treasurer and a weekly review with the City Administrator to help identify what is leading to the need for daily reconciliations. The motion was seconded by Pat Schuknecht. The motion was approved. Data generated from the daily reconciliation will be reviewed by the Finance Committee in the next 30 to 60 days to determine any future action.

The second item concerns the proper allocation of employee salaries in the correct percentages to the General Fund and to the Park/Municipal Fund. At the beginning of each fiscal year the City Administrator will submit information to the City Treasurer confirming the percentage distribution against the two funds for the salary of each employee. The City Treasurer will set-up the suggested salary distribution for each employee and confirms this back to the City Administrator. Further, the City Administrator will notify the City Treasurer of any changes to the number of City employees and any revisions to the salary distributions, which need to be implemented. This is particularly relevant if an employee leaves and/or if a new employee is hired.

The committee also reviewed several questions for clarification from members relating to the audit. A total of \$75,838.39 was received for COVID-19 relief in 2020 with the initial \$9,144.98 applied to fiscal year 2020 and the balance of \$66,693.41 applied to fiscal year 2021. Both of these are one-time only revenue sources. A portion of the \$66,693.41 received was a credit totaling \$35,500 from St. Charles County for 2020 police coverage, which will be applied to 2021 coverage.

A motion was made by Tom Yeager to approve the audit for fiscal year 2020 as submitted. The motion was seconded by Bruce Robb. The motion was approved. The Finance Committee recommends the audit be submitted to the Board of Alderman for approval.

The committee needs input on projected future road maintenance costs and park/municipal building improvements in order to proceed on updating the 5-year financial plan. The Mayor indicated this information needs to be provided to the finance committee.

Tom Yeager made a motion to adjourn the meeting with a second by Pat Schuknecht. The motion was approved and the meeting adjourned at 2:50 PM.

Andy Clutter
Chairman- Finance Committee