



**REGULAR MEETING OF THE  
AUDIT AND FINANCE COMMITTEE**

**DATE: MONDAY, APRIL 20, 2020 – 5:30 p.m. to 7:00 p.m.**  
**Via ZOOM invite from Larry Perney**

**AGENDA**

1. Call to Order:
2. Roll Call and Statement of Quorum
3. Establishment of Order of Items on the Agenda
  - A. Approval of the February 3, 2020 Minutes
  - B. Review 2020 Three Month Financial Report through 3-31-2020
  - C. 2019 Audit update
  - D. Budget Software Update - Cleargov
  - E. Next meeting Monday June 1, 2020 Auditors (Stopp & Vanhoy) to present 2019 Audit to the Committee. Via ZOOM
  - F. Future meetings
4. Adjournment

AUDIT & FINANCE COMMITTEE

APRIL 20, 2020

3 A

APPROVAL OF

FEBRUARY 3, 2020 MINUTES



MINUTES OF THE AUDIT AND FINANCE COMMITTEE MEETING  
FOR MONDAY, FEBRUARY 3, 2020 AT THE JUSTICE CENTER  
200 HIGHLANDS BOULEVARD DRIVE

1. CALL TO ORDER

Chairman Bill Ward called the Audit and Finance Committee meeting to order at 5:32 pm.

2. ROLL CALL AND STATEMENT OF QUORUM

Roll call showed those present were Peter Bitzer, Alderman Baumann, Juli Van Hook, and Chairman Bill Ward. A quorum was present. Also, in attendance were Ex-officio members Mayor Clement and City Administrator Larry Perney, Alderman Huether and support staff Director of Finance Donald Yucuis.

3. ESTABLISHMENT OF ORDER OF ITEMS ON THE AGENDA

Alderman Baumann made the motion to approve the order of items on the agenda. The motion was seconded by Chairman Ward and approved unanimously.

- A. Alderman Baumann made the motion to approve the November 4, 2019 minutes. The motion was seconded by Chairman Ward and approved unanimously.
- B. Director of Finance Yucuis reviewed the 2019 Budget Amendments and highlighted the State of Missouri requirement that actual expenses cannot exceed budget authority and the City budgets at the Fund level.
- C. Director of Finance Yucuis and City Administrator Larry Perney presented and reviewed the 2019 unaudited twelve month report through December 31, 2019 including beginning and ending fund balance. General Fund is the main operating fund of the City and revenues exceeded expenses by \$509,000. Revenue totaling \$11.1 million were 103.8% of budget and expenses (accounts payable through 1-9-2020) totaling \$10.8 million were 100.4% of budget. Another budget amendment will be needed to ensure that the budget is greater than expenses. Preliminary General Fund ending fund balance increased to \$3.4 million.

A summary of the other eight funds was presented and discussed with the Committee and all were in line with their budgets.

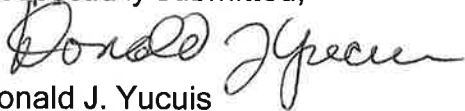
D. Future meeting dates were set as follows:

- Monday April 20, 2020 Agenda to include 2020 Three Month Financial Report.
- Monday June 1, 2020 Auditors (Stopp & Vanhoy) to present 2019 Audit to the Committee. (Board of Aldermen on June 1, 2020)
- Monday July 20, 2020 Agenda to include 2020 Six Month Financial Report.
- Monday October 19, 2020 Agenda to include 2020 Nine Month Financial Report.
- As we develop the 2021 Budget Calendar, we will add that information to an existing or new meeting

4. ADJOURNMENT

At 6:27 p.m., there being no further business, Rich Baumann made a motion to adjourn, seconded by Chairman Ward and approved unanimously.

Respectfully submitted,



Donald J. Yucuis  
Director of Finance

*Note: This is a journal of the Audit and Finance Committee meeting of Monday, February 3, 2020 (summary); not a verbatim transcript.*

**AUDIT & FINANCE COMMITTEE**

**April 20, 2020**

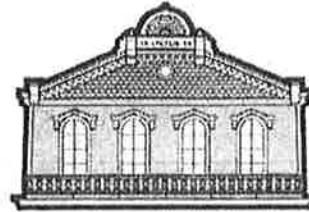
**3 B**

**REVIEW**

**3 MONTH FINANCIAL**

**REPORT THROUGH**

**MARCH 31, 2020**



THE CITY OF  
MANCHESTER  
1837

# Memo

To: Mayor and Board of Aldermen, Lawrence Perney, City Administrator  
Audit & Finance Committee

From: Donald Yucuis, Director of Finance

Date: April 17, 2020

Re: 2020 Financial Report – three Months through March 31, 2020

I am providing a summary of the 2020 three month financial report for All Funds for the period ending March 31, 2020 – including comparative data through March 31, 2019.

A summary of each Fund including revenues, expenses, beginning and ending fund balance and is shown in attached Exhibit I pages 1 to 2.

## GENERAL FUND –

- Overall, FY 2020 three month revenue/transfer-in totaled \$2,890,257 or 26.8% of budget and \$295,712 less than the same time period in 2019.
- Expenses/transfer-out totaled \$2,953,962 or 27.6% of budget and \$209,353 more than the same time period in 2019.
- Fund balance currently totals \$3.4 million.

If COVID-19 wasn't occurring I would say we are in good shape through March 31, 2020 and compared to March 31, 2019. But with COVID-19 the City has some revenue and expense concerns going forward that will be monitored closely over the next three months.

On the revenue side:

- Sales Tax revenue lag is two months. Sales tax revenue received in March was for January sales. I will see February sales early next week and start comparing them month to month to see if there is a trend and then model out any impact on revenue from the COVID-19 virus.
- Licenses and permits reflect the renewal date for Merchants and Service Licenses to April 2020 when revenues are starting to come in. The expectation is to get about the same amount as last year but not until the end of the 2<sup>nd</sup> quarter.
- Municipal Court is closed, working remotely but still processing tickets. Colleen Massey anticipates a reduction in revenue over the next several months. Best estimate is approximately \$25,000 to \$30,000 over the next three months and will be monitored closely

On the expense side:

- City Administrator Perney communicated to Department Heads that position vacancies (3 in the Police Department) would not be filled in the near term and to expend funds for only essential items.

Three Month Financial Report at March 31, 2020

- The City front loaded the employer share of the Health Savings Account (HSA) in January 2020 which totaled approximately \$100,000 and more than 2019 as more employees switched to the HSA Insurance Plan. In 2019, the HSA employer funding was spread throughout the year with fewer employees on that plan.

**Debt Service Fund** accounts for the Debt Service on the 2018 General Obligation (GO) Bond issue that funded Prop S concrete streets. A property tax is levied to pay the principal and interest payments on the bonds as they come due. Both 2020 revenue and expenses are in line with the budget and comparable to 2019.

**Tax Increment Financing (TIF) Fund** Both 2020 revenue and expenses are in line with the budget and comparable to 2019. This is another area that relies on Sales Tax revenue and will be monitored very closely.

**Special Accounts Fund** is mainly for Federal Asset Forfeiture tracking and has had no activity in the first quarter.

**Capital Projects Fund** Overall, FY 2020 revenue totaled \$475,062 or 20.6% of budget and \$102,104 less than 2019 due to no grant revenue in 2020 and \$134,225 in 2019. FY 2020 expenses total \$201,859 or 7.2% of budget. Fund balance at March 31, 2020 totaled \$1.0 million. This is another area that relies on Sales Tax revenue and will be monitored very closely. Bob Ruck is moving forward on budgeted capital projects and police vehicle purchases.

**Parks and Storm Water Fund** Overall, FY 2020 revenue totaled \$517,205 or 20.7% of budget and \$8,000 more than 2019. FY 2020 expenses total \$287,058 or 8.2% of budget. Fund balance at March 31, 2020 totaled \$3.1 million. This is another area that relies on Sales Tax revenue and will be monitored very closely. Bob Ruck and Kat Schien are moving forward on budgeted capital projects and other expenses.

**Sanitary Sewer Repair Fund** Overall, FY 2020 revenue totaled \$52,924 or 25.1% of budget and \$5,000 less than 2019. FY 2020 expenses total \$57,631 or 20.3% of budget and \$9,319 less than 2019. Fund balance at March 31, 2020 totaled \$123,000.

**Prop S Capital Fund** Overall, FY 2020 revenue totaled \$58,021. The budget includes a planned \$7 million GO bond issue planned for the 2<sup>nd</sup> quarter to continue the concrete street program into 2021 and 2022. FY 2020 expenses total \$71,204 or 2% of budget. Fund balance at March 31, 2020 totaled \$4 million and is available for the 2020 concrete street program that is underway.

The City's strong fund balance positions in each fund will assist in weathering any revenue reduction. Also, not filling vacant positions and curtailing expenses to only essential items for the next several months until the COVID-19 impact is known will assist getting through these times.

**EXHIBIT I**

	B	C	D	E	I	K	L	N	O	P
5	<b>City of Manchester - All Funds- Revenue and Expense Report Three Months Ending March 31, 2020 including comparative totals through March 31, 2019</b>				<b>2019 YTD Activity Three Months through 3-31-2019</b>		<b>2020 Adopted Budget</b>	<b>2020 YTD Activity Three Months through 3-31-2020</b>	<b>2020 Budget less YTD Activity</b>	<b>2020 YTD Activity to Budget</b>
6										
7	<b>Fund: 10 - GENERAL FUND</b>									
8	<b>Revenue</b>									
9		510 - Taxes		2,315,324		7,643,600		2,187,227	5,456,373	28.6%
10		520 - Inter-governmental		379,686		1,285,000		375,738	909,262	29.2%
11		530 - Licenses & Permits		219,578		531,800		54,779	477,021	10.3%
12		540 - Municipal Court		68,981		284,500		52,413	232,087	18.4%
13		550 - Investments		831		36,000		5,066	30,934	14.1%
14		560 - Aquatic Center		8,054		270,000		5,963	264,037	2.2%
15		561 - Park Services		58,202		137,290		69,370	67,920	50.5%
16		562 - Manchester Arts		-		5,800		-	5,800	0.0%
17		565 - Homecoming		2,775		37,250		300	36,950	
18		570 - Miscellaneous		7,538		53,200		14,400	38,800	27.1%
19		<b>Subtotal Revenue before transfers in</b>		<b>3,060,969</b>		<b>10,284,440</b>		<b>2,765,257</b>	<b>7,519,183</b>	<b>26.9%</b>
20		600 - Operating Transfers in		125,000		500,000		125,000	375,000	25.0%
21		<b>Total Revenue</b>		<b>3,185,969</b>		<b>10,784,440</b>		<b>2,890,257</b>	<b>7,894,183</b>	<b>26.8%</b>
22										
23	<b>Expense</b>									
24		410 - Mayor & Board		14,623		71,125		11,986	59,139	16.9%
25		420 - Administration		157,676		682,905		208,502	476,703	30.5%
26		425 - MIS		117,415		325,270		133,374	191,896	41.0%
27		430 - Finance		198,828		719,725		226,378	498,148	31.5%
28		440 - Police		1,034,760		3,985,377		1,081,514	2,958,064	27.1%
29		450 - Aquatic Center		13,737		358,405		7,678	350,727	2.1%
30		460 - Park		235,718		949,740		258,418	708,732	27.2%
31		465 - Homecoming		3,625		38,465		3,250	35,215	8.4%
32		470 - Public Works		630,152		2,581,835		628,818	1,971,732	24.4%
33		475 - Planning & Zoning		83,193		341,985		94,616	254,569	27.7%
34		480 - Legal		62,025		270,855		76,689	200,166	28.3%
35		485 - Manchester Arts		2,862		22,980		5,359	17,621	23.3%
36		<b>Subtotal Expenses before transfers out</b>		<b>2,554,615</b>		<b>10,348,667</b>		<b>2,736,581</b>	<b>7,722,712</b>	<b>26.4%</b>
37		600 - Operating Transfers out		189,994		360,000		217,380	61,275	60.4%
38		<b>Total Expenses</b>		<b>2,744,608</b>		<b>10,708,667</b>		<b>2,953,962</b>	<b>7,783,987</b>	<b>27.6%</b>
39										
40		<b>Fund: 10 - GENERAL FUND Surplus (Deficit):</b>		<b>441,360</b>		<b>75,773</b>		<b>(63,705)</b>		
41										
42		<b>Beginning Fund Balance January 1</b>		<b>2,970,204</b>		<b>3,466,350</b>		<b>3,466,350</b>		
43		<b>Ending Fund Balance December 31</b>		<b>3,411,564</b>		<b>3,542,123</b>		<b>3,402,645</b>		
44		<b>Fund Balance as a % of Expenses--&gt;</b>				<b>33.1%</b>				
45										
46	<b>Fund: 20 - DEBT SERVICE FUND</b>									
47		<b>Revenue</b>		360,591		1,154,000		374,554	779,446	32.5%
48		<b>Expense</b>		766,555		902,962		768,181	134,781	85.1%
49										
50		<b>Fund: 20 - DEBT SERVICE FUND Surplus (Deficit):</b>		<b>(405,964)</b>		<b>251,038</b>		<b>(393,628)</b>		
51										
52		<b>Beginning Fund Balance January 1</b>		<b>863,513</b>		<b>1,040,503</b>		<b>1,040,503</b>		
53		<b>Ending Fund Balance December 31</b>		<b>457,549</b>		<b>1,291,541</b>		<b>646,875</b>		
54										



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5	<b>City of Manchester - All Funds- Revenue and Expense Report Three Months Ending March 31, 2020 including comparative totals through March 31, 2019</b>				<b>2019 YTD Activity Three Months through 3-31-2019</b>		<b>2020 Adopted Budget</b>	<b>2020 YTD Activity Three Months through 3-31-2020</b>	<b>2020 Budget less YTD Activity</b>	<b>2020 YTD Activity to Budget</b>
55	<b>Fund: 30 - TAX INCREMENT FINANCING FUND</b>									
56										
57		Revenue			2,669,468		6,845,000	2,516,219	4,328,781	36.8%
58		Expense			4,160		6,779,660	564	6,779,096	0.0%
59										
60				<b>Fund: 30 - TAX INCREMENT FINANCING FUND Surplus (Deficit):</b>	<b>2,665,308</b>		<b>65,340</b>	<b>2,515,655</b>		
61										
62				<b>Beginning Fund Balance January 1</b>	<b>8,396,562</b>		<b>2,694,996</b>	<b>2,694,996</b>		
63				<b>Ending Fund Balance December 31</b>	<b>11,061,870</b>		<b>2,760,336</b>	<b>5,210,651</b>		
65	<b>Fund: 40 - SPECIAL ACCOUNTS</b>									
66		Revenue			-		-	-	-	0.0%
67		Expense			-		-	-	-	0.0%
68										
69				<b>Fund: 40 - SPECIAL ACCOUNTS Surplus (Deficit):</b>	<b>-</b>		<b>-</b>	<b>-</b>		
70										
71				<b>Beginning Fund Balance January 1</b>	<b>16,698</b>		<b>27,713</b>	<b>27,713</b>		
72				<b>Ending Fund Balance December 31</b>	<b>16,698</b>		<b>27,713</b>	<b>27,713</b>		
74	<b>Fund: 50 - CAPITAL IMPROVEMENT FUND</b>									
75		Revenue			577,166		2,305,000	475,062	1,829,938	20.6%
76		Expense			124,006		2,797,292	201,859	2,595,433	7.2%
77										
78				<b>Fund: 50 - CAPITAL IMPROVEMENT FUND Surplus (Deficit):</b>	<b>453,160</b>		<b>(492,292)</b>	<b>273,203</b>		
79										
80				<b>Beginning Fund Balance January 1</b>	<b>(15,528)</b>		<b>797,757</b>	<b>797,757</b>		
81				<b>Ending Fund Balance December 31</b>	<b>437,632</b>		<b>305,465</b>	<b>1,070,960</b>		
83	<b>Fund: 60 - PARKS &amp; STORM WATER PROJECTS FUND</b>									
84		Revenue			509,271		2,500,000	517,205	1,982,795	20.7%
85		Expense			132,530		3,521,845	287,058	3,234,787	8.2%
86										
87				<b>Fund: 60 - PARKS &amp; STORM WATER FUND Surplus (Deficit):</b>	<b>376,741</b>		<b>(1,021,845)</b>	<b>230,147</b>		
88										
89				<b>Beginning Fund Balance January 1</b>	<b>1,869,074</b>		<b>2,905,888</b>	<b>2,905,888</b>		
90				<b>Ending Fund Balance December 31</b>	<b>2,245,815</b>		<b>1,884,043</b>	<b>3,136,035</b>		
92	<b>Fund: 70 - SANITARY SEWER REPAIR FUND</b>									
93		Revenue			58,035		211,000	52,924	158,076	25.1%
94		Expense			66,950		283,495	57,631	225,864	20.3%
95										
96				<b>Fund: 70 - SANITARY SEWER REPAIR FUND Surplus (Deficit):</b>	<b>(8,915)</b>		<b>(72,495)</b>	<b>(4,707)</b>		
97										
98				<b>Beginning Fund Balance January 1</b>	<b>190,196</b>		<b>127,958</b>	<b>127,958</b>		
99				<b>Ending Fund Balance December 31</b>	<b>181,281</b>		<b>55,463</b>	<b>123,251</b>		
101	<b>Fund: 80 - PROP S-CAPITAL IMPROVEMENTS</b>									
102										
103		Revenue			62,225		7,075,000	58,021	7,016,979	0.8%
104		Expense			289,988		3,600,000	71,204	3,528,796	2.0%
105										
106				<b>Fund: 80 - PROP S-CAPITAL IMPROVEMENTS Surplus (Deficit):</b>	<b>(227,763)</b>		<b>3,475,000</b>	<b>(13,183)</b>		
107										
108				<b>Beginning Fund Balance January 1</b>	<b>8,443,028</b>		<b>4,014,273</b>	<b>4,014,273</b>		
109				<b>Ending Fund Balance December 31</b>	<b>8,215,265</b>		<b>7,489,273</b>	<b>4,001,090</b>		

AUDIT & FINANCE COMMITTEE

April 20, 2020

3 F

FUTURE MEETINGS

April 20, 2020

Future Audit & Finance Committee meetings.

Monday June 1, 2020 Auditors (Stopp & Vanhoy) to present 2019 Audit to the Committee. (Board of Aldermen on June 1, 2020)

Monday July 20, 2020 Agenda to include 2020 Six Month Financial Report.

~~Monday October 19, 2020~~

Due to Don Yucuis tentative vacation plans the week of October 11 to 18, 2020 Change to October 26, 2020 (not a Board of Alderman meeting date) or

Monday November 2, 2020 (a regular Board of Alderman meeting date) – Agenda to include 2020 Nine Month Financial Report.

As we develop the 2021 Budget Calendar we add that information to an existing or new meeting