Parkville
Missouri

Finance Committee Meeting
Monday, August 10, 2020; 3:30 PM
Administration Conference Room, City Hall

Minutes

1. Call to Order

Vice Chair Rittman called the meeting to order at 3:33 p.m. A quorum was present.

Members Present: Vice Chair Dave Rittman, Tina Welch, Robert Lock and Nan Johnston

City Staff Present: City Administrator Joe Parente, Police Captain Jon Jordan, Public Works Director Alysen Abel, Finance/Human Resources Director Matthew Chapman, Assistant to the City Administrator Anna Mitchell, Public Works Project Manager Chris Ashley and City Clerk Melissa McChesney

2. Financial Updates

A. 2nd Quarter 2020 Budget Variance Report

City Administrator Joe Parente provided an overview of the second quarter 2020 budget variance report, noting that there was nothing that jumped out to him that would become an issue by the end of the year. He said the City was 11 percent under budget and staff wanted to be sure to watch what was spent because of the COVID-19 pandemic

3. Action Items

A. Approve the minutes for the July 27, 2020, meeting

Robert Lock moved to approve the minutes for the July 27, 2020, meeting. Tina Welch seconded; motion passed 4-0.

B. Review and approve the audit for fiscal year 2019 as prepared by Cochran, Head & Vick Co., P.C.

Finance/Human Resources Director Matthew Chapman said that the City contracted with Cochran, Head & Vick Co. to conduct the annual audits. The item would be presented to the Board of Aldermen on August 18 and if the Board wanted additional time it could be postponed to the September 1 meeting.

Michael Keenan, Cochran, Head Vick & Co., P.C., provided an overview of the 2019 audit; presentation attached as Exhibit A.

Dave Rittman moved to recommend that the Board of Aldermen approve the audited financial statements for the fiscal year ended December 31, 2019. Lock seconded; motion passed 4-0.

C. Approve the 2020 property tax levy for fiscal year 2021

Finance/Human Resources Director Matthew Chapman stated that staff received the pro forma calculations from the Missouri auditor for 2021. Since 2011, the Board of Aldermen voted to maintain the maximum rate for both the general tax and general temp levies.

Discussion focused on if maintaining the maximum rate was helping to reduce the payments for the 2006 Certificates of Participation for capital improvements and if not, the consensus was to remove the text from the policy report for the Board of Aldermen meeting.

Rittman moved to recommend that the Board of Aldermen adopt an ordinance to set the 2019 General Tax Levy at $0.4623 per $100.00 of assessed valuation and the General-Temp Levy at $0.1748 per $100.00 of assessed valuation. Lock seconded; motion passed 4-0.

D. **Approve the semi-annual financial report for the first half of 2020 and direct City Administration to publish**

Finance/Human Resources Director Matthew Chapman said that Missouri statutes and City ordinances authorized the City Treasurer to produce a report showing a six-month overview of revenues and expenditures. The public notice would be published in a newspaper and a public hearing would be held on August 18.

Rittman moved to recommend that the Board of Aldermen approve the semi-annual financial report for the first half of 2020 and direct City Administration to publish. Lock seconded; motion passed 4-0.

4. Non-Action Items

A. **Quarterly Projects Update**

Assistant to the City Administrator Anna Mitchell provided an update on 2020 Capital Improvement Program projects, noting that seven additional projects were completed since the first quarter report was presented.

B. **Update on 202 East Street Demolition Special Assessment**

City Administrator Joe Parente provided an update on the property at 202 East Street, noting that the City placed a lien on the property to cover its cost to demolish the fire-damaged home. The property owner did not pay the property taxes and Platte County scheduled a tax sale in August. He noted that the property was valued at $14,738 which would cover the cost of the demolition and the special assessment

5. Unfinished Business (postponed from prior meetings)

6. Other Business

7. Adjourn

Vice Chair Rittman adjourned the meeting at 4:41 p.m.

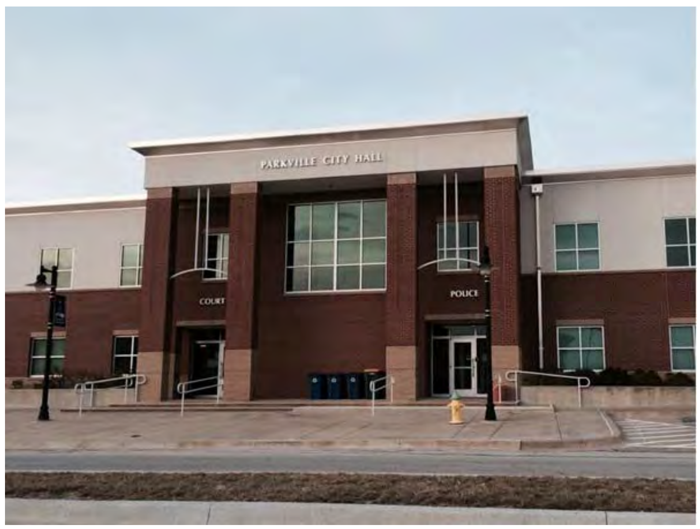
Submitted by:

Melissa McChesney
Melissa McChesney
City Clerk

August 24, 2020
Approval Date

Report to
The Honorable Mayor
and Members of the Board of Aldermen

City of Parkville, Missouri



Financial and Compliance Audit
For the year ended December 31, 2019

CHV

Certified Public Accountants

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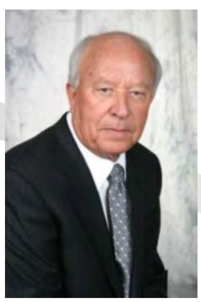
Certified Public Accountants

- Serving Missouri and Kansas since 1975.

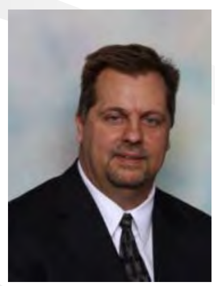
- Peer Review – We have been awarded the highest rating given as a result of our peer review.

- Member of-
  - AICPA
  - AICPA Government Audit Quality Center
  - AICPA Employee Benefit Plan Audit Quality Center
  - BDO Alliance USA
  - Three (3) members of our governmental services audit team are members of the GFOA Special Review Committee
  - Licensed in Missouri, Kansas, and Nebraska

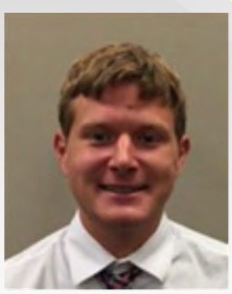
ENGAGEMENT TEAM



David Cochran, CPA
Engagement Partner



Michael Keenan, CPA
Senior Manager



Alex Wagner
Staff Associate

Scope of Audit

- We were engaged to perform an audit of the City's basic Financial Statements.

Our Responsibilities

- Conduct our audit in accordance with Generally Accepted Auditing Standards and Government Auditing Standards.

- Plan and perform our audit to obtain reasonable, not absolute, assurance that the basic financial statements are free of material misstatement.

- Report on internal controls over financial reporting and compliance with laws and regulations.

The Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA) recommends that we communicate the following matters to the Governing Board:

City of Parkville, Missouri	
Illegal Acts – None came to our attention as a result of performing our audit procedures.	
Changes in Significant Accounting Policies – No changes in significant accounting policies.	
No difficulties or disagreements with management.	
Cooperation – Full access to books and records.	

Financial and Compliance Audit addresses three basic questions:

Question	Answers
Are the financial statements free of material misstatement?	We intend on issuing an unmodified opinion that the financial statements are fairly presented in all material respects.
Are internal controls over financial reporting adequately designed and operating effectively?	We identified a certain deficiency in internal control that we consider to be a material weakness. ➢ Financial Reporting
Did the City of Parkville, Missouri comply, in all material respects, with the finance-related laws and regulations?	No material noncompliance was noted with the finance-related laws and regulations that govern the City's operations.

Other Management Letter Comments

Other Management Letter Comments – Contains suggestions for best practices and possible improvements in internal control noted in the conduct of the audit.

- Contractual, Intergovernmental and Development Agreements
- Future Accounting Pronouncements

CHV

Certified Public Accountants

We appreciate the opportunity to serve as the auditor

for

the City of Parkville, Missouri