

COUNCIL WORK SESSION MINUTES

**February 28, 2022 – 4:00 p.m.
4th Floor Conference Room - City Hall**

A Council work session was held to discuss the following issues: 1) Fiscal Year 2021 Year End Audit; and 2) Health Department incentives.

Attending: Mayor Bill McMurray and Councilmembers Brenda Blessing, Madison Davis, PJ Kovac, Russell Moore, and Marty Novak.

Bryan Carter, City Manager; Laurie Tietjen, Finance Director; Tom Mahoney, Assistant Finance Director; Chris Connally, Police Chief; Kenny Cordonnier, Fire Chief; Debra Bradley, Health Director; Kendra Bundy, Assistant Health Director; Cindy McDermott-Cox, Accountant; Rich Karleskint, Budget & Financial Analyst; Mary Robertson, Asst. to City Manager/Communications & Public Relations Manager; and Rita K. Domini, Deputy City Clerk.

Mayor Bill McMurray called the meeting to order.

Item # 1 – Fiscal Year 2021 Year End Audit. Interoffice Memorandum from Laurie Tietjen, Finance Director, in re: Comprehensive Annual Financial Report FY2021, dated February 8, 2022, was previously distributed.

Mike Keenan, CPA, Cochran Head Vick and Company, went over the power point “Financial and Compliance Audit for the year ended June 30, 2021” (copy attached).

Item #2 – Health Department incentives – Bryan Carter, City Manager, said the Health Department has received a number of different grants to assist with the COVID effort. All of the grants have expiration dates and a time frame within which the money has to be spent. The Health Department has identified different expenditures that are eligible to assist with COVID response and submitted the budgets for those expenditures to the State through the Department of Health and Senior Services (DHSS). Despite all that they are still going to have a surplus in those grant funds. One of the eligible expenditures the DHSS has gotten approval for from the Centers for Disease Control & Prevention (CDC) includes incentive pay for health department agency employees. In our health department, there has been an escalated turnover rate. They are proposing to use a portion of the \$165,000 grant fund surplus for a retention incentive for health department employees. One proposal is a \$2,500 payment payable for employees who are still here in June of 2022. The total cost of that is around \$65,000 assuming the 26 employees remain employed through June. A second contingent proposal is \$2,500 for June of 2023. If there is another need for these funds, the funds would then not be spent on the incentive pay. By doing this, the proposal would be submitted to the state and the money would be locked up for that use with a little bit of flexibility to redirect it if necessary. He listed the employees in the department who have left in the past year and said the department is currently short three positions.

Debra Bradley, Health Director, said the incentive would be given to only those health department employees who had some role in COVID.

Mr. Carter said if there is support of the proposal, they will provide the City Council with a list of parameters for the incentive pay and prepare an ordinance for Council's consideration.

Mayor McMurray and Councilmembers Brenda Blessing, Madison Davis, PJ Kovac, Russell Moore and Marty Novak agreed to the proposal.

The meeting adjourned at 4:35 p.m.

A handwritten signature in blue ink that reads "Rita K. Domini". The signature is written in a cursive style with a large initial 'R'.

Minutes transcribed by Rita K. Domini, Deputy City Clerk.

**Report to
The Honorable Mayor and Members
of the City Council**

City of St. Joseph, Missouri



**Financial and Compliance Audit
For the year ended June 30, 2021**

CHV

Certified Public Accountants

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- 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
 - One (1) members of our governmental services audit team are members of the GFOA Special Review Committee
 - Licensed in Missouri, Kansas, and Nebrask
- Merged with Hood and Associates CPAs in December 2021.

Scope of Audit

- We were engaged to perform an audit of the City's basic financial statements, audit of the City's Police and Pension Fund, and the City's compliance over expenditures of federal awards (Single Audit) for the year ended for the year ended June 30, 2021.

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 St. Joseph, Missouri

Illegal Acts – None came to our attention as a result of performing our audit procedures.

Changes in Significant Accounting Policies – Governmental Accounting Standards Board (GASB) No. 84, *Fiduciary Activities*, was adopted during the year. No other new accounting policies were adopted, and the application of existing policies was not changed during 2021.

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 have issued 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 did not identify any deficiencies in internal control that we consider to be material weaknesses.
Did the City of St. Joseph, 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

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

- Cyber Security
- American Rescue Plan Act Funds
- Future Accounting Pronouncements

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**We appreciate the opportunity to serve as the
auditor for
the City of St. Joseph, Missouri**