



TENTATIVE AGENDA
BOARD OF ALDERMEN WORK SESSION
ST. PETERS JUSTICE CENTER, 1020 GRAND TETON DRIVE
ST. PETERS, MO 63376
APRIL 23, 2020 AT 5:45 P.M.

A. Communications from Board Members/Aldermanic Representatives

B. BOA Items for Discussion

New Business Items:

1. [Discussion to Consider Laying Hens](#) – Townsend/Reimer
2. [Discussion/Temporary Stop Sign on Kimberly Drive and Bellemeade Drive at Tot Lot Park](#) - Bateman

C. Mayor/City Administrator Item

Unfinished Business Items: None

New Business Items:

1. [City Auditor Appointment Recommendation](#) – Batzel
2. [Sanitary Sewer CIPP Lining Change Order with Insituform Technologies](#) – Malach
3. Miscellaneous Updates – Batzel
4. Board Meeting Agenda Item Revisions – Batzel
5. Executive Session re: Litigation, Real Estate and Personnel, pursuant to Section 610.021(1)(2)(3)(9)(12)(13)(14) & 610.022 (1-6)

D. Adjournment

AGENDA Posted at City Hall: April 20, 2020
By: P. Smith, City Clerk

Next Work Session: May 14, 2020

RBA FORM (OFFICE USE)

MEETING DATE: 4-23-20

Regular () Work Session (X)

ATTACHMENT: YES () NO (X)

Contract () Ordinance () Other ()

**Request for Board Action
By Alderman**

Ward 1 () 2 () 3 () 4 () All Wards (X)

Brief Description: Discussion to Consider Laying Hens

Staff: Recommended () Not recommended () No Position ()

Summary/Explanation:

Discussion is desired to consider options on allowing laying hens with certain requirements and zoning restrictions. Discussion will include purposes and limits of keeping laying hens for sustenance.

Budget Impact: (revenue generated, estimated cost, CIP item, budgeted, non-budgeted etc.)

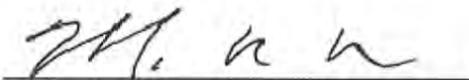
None

RBA requested by: Alderman Townsend

CA: Russell W. Batzel



Alderman Reimer



RBA FORM (OFFICE USE)

MEETING DATE: 4-23-20

Regular () Work Session (X)

ATTACHMENT: YES () NO (X)

Contract () Ordinance () Other ()

**Request for Board Action
By Alderman**

Ward 1 () 2 (X) 3 () 4 () All Wards ()

Brief Description: Discussion on Installing Temporary Stop Sign at Kimberly Drive and Bellemeade at Tot Lot Park

Staff: Recommended () Not recommended () No Position ()

Summary/Explanation:

Numerous complaints received of reckless driving including speeding on Kimberly Drive and Bellemeade Drive warrants discussion of installing a temporary stop sign at Tot Lot Park.

Budget Impact: (revenue generated, estimated cost, CIP item, budgeted, non-budgeted etc.)

To be determined

RBA requested by: Board President Bateman

CA: Russell W. Batzel

Judy Bateman

Russell W. Batzel

RBA FORM (OFFICE USE)

MEETING DATE: April 23, 2020

Regular () Work Session (X)

ATTACHMENT: YES (X) NO ()

Contract (X) Ordinance () Other ()

**Request for Board Action
By Staff**

Ward 1 () 2 () 3 () 4 () All Wards (X)

Brief Description: Appointment of City Auditor

Staff: Recommended (X) Not recommended () No Position ()

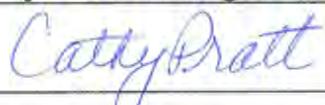
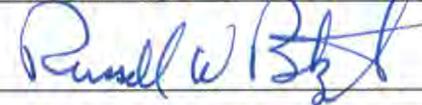
Summary/Explanation:

The current contract with Schowalter & Jabouri to provide audit services for the City ended with the fiscal year 2019 audit. However, with uncertainties in the ability to obtain quality competitive proposals and possibly having to onboard a new firm during this time of unrest, we would like to extend our contract for an additional year.

Schowalter & Jabouri has submitted a proposal for the fiscal year 2020 audit and is requesting a 2.5% or \$1,500 increase to a contract value of \$66,500. This is the first increase since 2011.

Background: Schowalter & Jabouri has provided audit services for the past 13 years. Longer term relationships work well with audit firms because of the effort involved in the firm's gaining a full understanding of the City's finances and the planning and execution of a quality audit. In addition, audits of a City of our size and complexity needs to be performed by a firm with thorough knowledge and experience in governmental audits. Schowalter & Jabouri has demonstrated such knowledge over the past 13 years. They reach out to the Governmental Accounting Standards Board for clarifications regarding new accounting regulations and are very helpful in guiding our implementation of these new rules. We have received the CAFR Award for all years audited by them.

Budget Impact: (revenue generated, estimated cost, CIP item, budgeted, non-budgeted etc.)
The proposed fee for FY 2020 is \$66,500.

RBA Requested By:	RBA Approved By:
Cathy Pratt, Manager SSS	Russ Batzel, City Administrator
	



SCHOWALTER & JABOURI, P.C.

Certified Public Accountants & Advisors

April 6, 2020

The Honorable Mayor and
Members of the Board of Aldermen
The City of St. Peters
One St. Peters Centre Blvd.
St. Peters, Missouri 63376

Dear Honorable Mayor and Members of the Board of Aldermen:

The audit for the year ended September 30, 2019 was the final year of our agreement for providing audit services to the City. I hope you have been pleased with the services we have provided. We sincerely appreciate our relationship with the City and consider you a very important client to us. We would be pleased if you would consider an extension for our firm to continue to provide your City with auditing services.

We believe that it is in the best interest of the City to retain an independent audit firm that has a thorough understanding of the City's unique accounting systems, policies and personnel, and has a proven track record of serving the City well. Changing audit firms is difficult and very costly to the City in terms of staff time because it usually takes several years for City staff to "train" a new audit firm about the City's unique characteristics. Further, it deprives your City of the benefits of having an independent auditor with seasoned, in-depth knowledge of your City, their procedures, personnel and overall direction. We firmly believe that the only appropriate motive for changing independent accountants is dissatisfaction with the quality of service being rendered. With the continuing challenges facing governmental entities in general and especially at this time with the uncertainties brought about by the COVID-19 pandemic, I believe it is in the best interest of the City to continue our relationship. Therefore, for your consideration, I have prepared this letter extending our agreement for auditing services, for one year, the year ending September 30, 2020.

Due to the current difficult economic conditions brought on by recent events, Schowalter & Jabouri, P.C. is committed to helping by minimizing our audit fees. Therefore, I am proposing the audit fee for 2020 to be \$66,500 which represents a less than 2.5% increase from the prior year and the first increase we have had in our fees since 2011. We hope this demonstrates to you how much we value our relationship and our desire to maintain our relationship.

If you approve, please sign below and return to us. Thank you for the opportunity to present this extension proposal. We look forward to continuing to work with the City.

Yours very truly,

James K. Torti, CPA, CFE, CGMA
Shareholder

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The City of St. Peters, Missouri
April 6, 2020

RESPONSE:

This letter correctly sets forth the understanding of The City of St. Peters, Missouri. By signing below, the signatory further represents and warrants that she/he is authorized to approve the terms of this letter on behalf of The City of St. Peters, Missouri.

Approved By: _____

Title: _____

Date: _____

ORDINANCE NO. 6321

AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR OF THE CITY OF ST. PETERS TO EXECUTE A CONTRACT WITH SCHOWALTER & JABOURI, P.C. FOR AUDITING SERVICES

WHEREAS, the conduct of audits of local governments by independent auditors is necessary in the development of sound financial management practices, and

WHEREAS, independent audits provide for an objective and professional analysis of the way public monies are managed and expended, and

WHEREAS, the Single Audit Act of 1984 requires an independent audit of the City's annual financial statements,

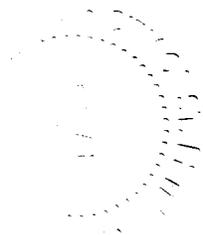
NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF ST. PETERS, MISSOURI AS FOLLOWS:

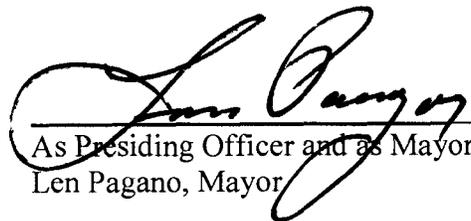
SECTION NO. 1. That the City Administrator be and he is hereby authorized to enter into a contract with Schowalter & Jabouri, P.C. for auditing services for fiscal years 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19.

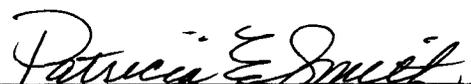
SECTION NO. 2. That the contract terms shall be negotiated based upon the March 2, 2015 extension proposal submitted by Schowalter & Jabouri P.C. (attached hereto), the April 14, 2010 extension proposal, and the City's Request for Qualifications dated June 29, 2007.

SECTION NO. 3. This ordinance shall be in force and take effect from and after its date of final passage and approval.

Read two times, passed and approved this 26th day of March, 2015.




As Presiding Officer and as Mayor
Len Pagano, Mayor

Attest: 
Patricia E. Smith, City Clerk



SCHOWALTER & JABOURI, P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

11878 GRAVOIS ROAD
ST. LOUIS, MISSOURI 63127
(314) 849-4999
FAX (314) 849-3486

FINANCIAL SERVICES
COMPUTER SOLUTIONS
ADMINISTRATIVE OFFICES

11777 GRAVOIS ROAD
ST. LOUIS, MISSOURI 63127
(314) 842-2929
FAX (314) 842-3483

March 2, 2015

The Honorable Mayor and
Members of the Board of Aldermen
The City of St. Peters
P.O. Box 9
One St. Peters Centre Blvd.
St. Peters, Missouri 63376

Dear Honorable Mayor and Members of the Board of Aldermen:

We would be pleased if you would consider a continuation of our professional relationship. In that regard, we have prepared this letter to confirm our understanding of the services we would provide for the City of St. Peters for the years ending September 30, 2015, 2016, 2017, 2018 and 2019.

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretionary presented component unit, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the City and we will audit the basic financial statements of the Joint Venture and prepare the tax returns of the Joint Venture and the St. Peters Natatorium Foundation as of and for each of the years ending September 30. The following supplementary information required by generally accepted accounting principles will be subjected to certain limited procedures but will not be audited:

1. Management's discussion and analysis.
2. Budgetary comparison information for the General and Major Special Revenue Funds and related notes.
3. Schedule of Funding Progress – Employees' Retirement System.
4. Schedule of Funding Progress and Contributions - Other Post-Employment Benefit Plan.

Also, the following additional information will be subjected to the auditing procedures applied in our audit of the financial statements upon which we will provide an opinion in relation to the basic financial statements:

1. Combining and Individual Fund Financial Statements and Schedules.
2. Schedule of Expenditures of Federal Awards.

The following additional information accompanying the basic financial statements will not be subject to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will disclaim an opinion:

1. Introductory section of the Comprehensive Annual Financial Report.
2. Statistical section of the Comprehensive Annual Financial Report.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information when considered in relation to the financial statements taken as a whole. The objective also includes reporting on—

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The OMB Circular A-133 report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United

States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the financial statements, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying all federal awards received and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the requirements of OMB Circular A-133. As part of the audit, we will assist with preparation of your financial statements, schedule of expenditures of federal awards, and related notes. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for (a) establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (b) following laws and regulations; (c) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (d) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed

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to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of St. Peters and the respective changes in financial position and, where applicable, cash flows in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

You are responsible for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with OMB Circular A-133. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards, that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with the budget basis of accounting and/or U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the budget basis of accounting and/or U.S. generally accepted accounting principles; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with the budget basis of accounting and/or U.S. generally accepted accounting principles; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit

Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format providing that information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and

liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements, applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

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OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of the applicable procedures described in the OMB Circular A-133 Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of those procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Engagement Administration, Fees, and Other

Our firm, as well as all other major accounting firms, participates in a "peer review" program, covering our audit and accounting principles. This program requires that once every three years we subject our quality assurance practices to an examination by another accounting firm. As part of the process, the other firm will review a sample of our work. It is possible that the work we perform for you may be selected by the other firm for their review. If it is, they are bound by professional standards to keep all information confidential.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We will only use such third-party providers with your consent. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other reasonable confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and

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March 2, 2015

certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

We will provide copies of our reports to the City of St. Peters; however, management is responsible for distribution of the reports and financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Schowalter & Jabouri, P.C. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to your cognizant or oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Schowalter & Jabouri, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by your cognizant or oversight agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

James K. Torti is the engagement shareholder and is responsible for supervising the engagement and signing the reports.

The City acknowledges and agrees that Schowalter & Jabouri, P.C. employees are its most valuable assets and that it has made a significant investment in hiring, training and employment. The City agrees that it will not attempt to hire Schowalter & Jabouri, P.C. employees while performing services under this agreement and for up to two years thereafter.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. Costs of any mediation proceeding shall be shared equally by all parties.

Our fee for these services, all typing, printing and binding and all related meetings with City officials that may be needed to perform the services and to prepare and submit all reports and all out-of-pocket expenses, to be as follows:

For the Year Ending:

September 30, 2015.....	\$65,000	(same fees as 2012, 2013 and 2014)
September 30, 2016.....	\$65,000	
September 30, 2017.....	\$65,000	
September 30, 2018.....	\$65,000	
September 30, 2019.....	\$65,000	

Our invoices for these fees will be rendered each month as work progresses and are payable upon presentation. The above fees are based on the anticipated number of hours we estimate will be required by the various levels of professional staff involved at reduced hourly rates. However, this is a fixed fee. Regardless of the hours spent, our fee will be as stated above. We may charge more, however, if there is a change in the scope of our procedures as discussed more fully below.

We base these fees on the assumption that unexpected circumstance will not be encountered and that all accounting records will be up-to-date, individual accounts will be reconciled and balanced, the general ledger will be closed on a timely basis after the year end and personnel will be available to provide clerical assistance such as typing confirmations, gathering vendor invoices, canceled checks, personnel files, client files and other documentation for our review. We also base this fee on the assumption that all accounting records and related information will be made available at the time we begin our audit. In addition, we understand that your personnel will also prepare any requested schedules in support of financial data. Should this not be the case and your organization requires additional assistance, this additional time and any related out-of-pocket expenses would be billed separately. Finally, we understand that capital asset and infrastructure records are able to be audited and that all accruals will be prepared by the City. We will only audit those amounts. This includes modified and full accrual amounts.

In providing our services, we will consult with the City with respect to matters of accounting, financial reporting or other significant business issues. Accordingly, time necessary to affect a reasonable amount of such consultation is reflected in our fee. However, should a matter require research, consultation or audit work beyond that amount, Schowalter & Jabouri, P.C. and the City will agree to an appropriate revision in services and fees.

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Fees for additional services outside the scope comprehended by this engagement letter will be estimated and provided before beginning projects of any significance. It has been our prior experience that we have not had any difficulty in reaching mutually satisfactory arrangements regarding fees for our services. We will not begin any services outside the scope of our contract with the City until such additional services have been approved by the Board of Alderman.

Reduced hourly rates of the professional staff for any additional services the City may request are:

Shareholder	\$150.00 per hour
Manager	\$125.00 per hour
Senior Accountant	\$110.00 per hour
Staff Accountant	\$ 75.00 per hour

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2014 peer review accompanies this letter.

Conflict of Interest

If, during the course of our engagement, we encounter circumstances, which we believe may create a conflict of interest or conflict with the ethical standards of our profession or our firm, we will inform you of our concerns. If these concerns cannot be adequately addressed to our satisfaction, or we are compelled to do so by professional standards, we may withdraw from the engagement.

Additional Engagement Terms

Agreed Upon Scope of Work. Schowalter & Jabouri, P.C. shall be obligated only for the services, work product and deliverables specified in the Letter, and only for changes in such scope that are set forth in writing and duly executed by the parties hereto. Unless expressly provided for in the Letter, Schowalter & Jabouri, P.C.'s services do not include giving testimony, appearing or participating in discovery proceedings, administrative hearings, court, or other legal or regulatory inquiries or proceedings and, in the event Schowalter & Jabouri, P.C. later agrees to perform such services, Schowalter & Jabouri, P.C. will charge and Client shall pay Schowalter & Jabouri, P.C.'s customary fee for such services.

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Management Dishonesty. While Schowalter & Jabouri, P.C. will advise Client if Schowalter & Jabouri, P.C. discovers errors or irregularities, Client understands and agrees that Client cannot rely on Schowalter & Jabouri, P.C. to detect employee or management dishonesty, including, without limitation, embezzlement, unless specifically set forth in the Letter.

External Factors; Standards of Performance. Client acknowledges that the Engagement will involve analysis, judgment and other performance from time to time in a context where the participation of Client or others is necessary, where answers are often uncertain or unverifiable in advance and where facts and available information change with time. Accordingly, evaluation of Schowalter & Jabouri, P.C.'s performance of its obligations shall be based solely on its substantial conformance with any standards or specifications expressly set forth in the Agreement and all applicable professional standards, any such nonconformance (and applicability) to be clearly and convincingly shown.

Limitation of Liability. In recognition of the relative risks and benefits of this agreement to both the Client and Schowalter & Jabouri, P.C., the Client and Schowalter & Jabouri, P.C. have discussed and have agreed on the fair allocation of risk between them. As such, the Client agrees, to the fullest extent permitted by law, to limit the liability of Schowalter & Jabouri, P.C. to the Client for any and all claims, losses, costs, and damages of any nature whatsoever, so that the total aggregate liability of Schowalter & Jabouri, P.C. to the Client shall not exceed \$1.5 million. The Client and Schowalter & Jabouri, P.C. intend and agree that this limitation apply to any and all liability or cause of action against Schowalter & Jabouri, P.C., however alleged or arising, unless otherwise prohibited by law.

Client and Schowalter & Jabouri, P.C. both agree that any dispute over fees charged by Schowalter & Jabouri, P.C. to the Client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT, IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY SCHOWALTER & JABOURI, P.C., EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION. The prevailing party shall be entitled to an award of reasonable attorneys' fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.

Indemnification. Client agrees to release, indemnify, and hold Schowalter & Jabouri, P.C., its partners, officers, managers, personnel, agents, employees, affiliated companies, successors and assigns harmless from any liability and costs resulting from knowing misrepresentations by management of Client. Client's obligation to indemnify shall survive until such time as all claims against Schowalter & Jabouri, P.C. are legally barred under all applicable statutes of limitation.

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Assignments and Successors. Neither party may assign any of its rights or benefits under the Agreement without the prior written consent of the other party. Subject to the preceding sentence, the Agreement will apply to, be binding in all respects upon, and inure to the benefit of the permitted successors, assigns and legal representatives of the parties. Notwithstanding the foregoing, Schowalter & Jabouri, P.C. may authorize and allow its affiliates and contractors to assist in performing the Engagement and to share in Schowalter & Jabouri, P.C.'s rights hereunder, provided any such party shall commit (as applicable) to be bound by the restrictions set forth in the Agreement. We will receive your consent prior to the use of any such affiliates or contractors.

Mediation. If Client is dissatisfied with the quality or timeliness of Schowalter & Jabouri, P.C.'s services, Client agrees to promptly notify Schowalter & Jabouri, P.C. in writing of its dissatisfaction. If the parties are unable to resolve their differences within thirty (30) days after Schowalter & Jabouri, P.C.'s receipt of Client's written notice, it is agreed that either party may invoke the services of an impartial mediator under the auspices of the commercial mediation rules of the American Arbitration Association, - United States Arbitration and Mediation Service, or any other national neutral mediation service, at the election of the party who first requests mediation. It is agreed that no claim pertaining to the quality or timeliness of Schowalter & Jabouri, P.C.'s services shall be arbitrated unless the foregoing procedures have first been followed and the mediator fails to settle the claim within thirty (30) days.

Attorneys' Fees and Costs. In connection with any legal action, arbitration or litigation arising from or in connection with the Agreement or its subject matter, the prevailing party shall be entitled to recover, subject to the damage limitations set forth in the Agreement, all costs incurred by such party in furtherance of such legal action, arbitration or litigation, including reasonable attorney's fees.

Conclusion

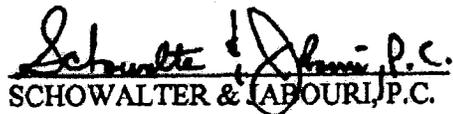
We appreciate the opportunity to be of service to the City and believe this Letter and the Schowalter & Jabouri, P.C. Engagement Terms set forth the terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

By signing the enclosed copy of this Letter, you acknowledge that you have read, understood and agreed to the terms as set forth in this Letter and in the Schowalter & Jabouri, P.C. Engagement Terms.

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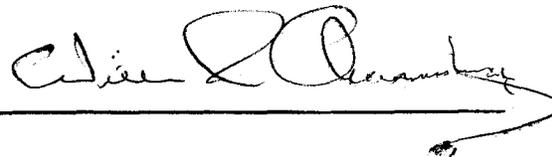
Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Very truly yours,


SCHOWALTER & JABOUR, P.C.

RESPONSE:

This letter correctly sets forth the understanding of the City of St. Peters, Missouri. By signing below, the signatory further represents and warrants that she/he is authorized to approve the terms of this engagement on behalf of the City of St. Peters, Missouri.

Approved By: 

Title: City Administrator

Date: 3/27/15

BILL NO.

ORDINANCE NO. 6321

AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR OF
THE CITY OF ST. PETERS TO EXECUTE A CONTRACT WITH
SCHOWALTER & JABOURI, P.C. FOR AUDITING SERVICES

WHEREAS, the conduct of audits of local governments by independent auditors is necessary in the development of sound financial management practices, and

WHEREAS, independent audits provide for an objective and professional analysis of the way public monies are managed and expended, and

WHEREAS, the Single Audit Act of 1984 requires an independent audit of the City's annual financial statements,

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF ST. PETERS, MISSOURI AS FOLLOWS:

SECTION NO. 1. That the City Administrator be and he is hereby authorized to enter into a contract with Schowalter & Jabouri, P.C. for auditing services for fiscal year 2019-20.

SECTION NO. 2. That the contract terms shall be negotiated based upon the April 6, 2020 extension proposal submitted by Schowalter & Jabouri P.C., in the initial amount of \$66,500 (attached hereto), the March 2, 2015, the April 14, 2010 extension proposal, and the City's Request for Qualifications dated June 29, 2007.

SECTION NO. 3. This ordinance shall be in force and take effect from and after its date of final passage and approval.

Read two times, passed and approved this 14th day of May, 2020.

Len Pagano, as Presiding Officer and as Mayor

Attest: _____
Patricia E. Smith, City Clerk

RBA FORM (OFFICE USE)

MEETING DATE: April 23, 2020

Regular () Work Session (X)

ATTACHMENT: YES () NO (X)

Contract (X) Ordinance () Other ()

**Request for Board Action
By Staff**

Ward 1 () 2 () 3 () 4 () All Wards (X)

Brief Description: Sanitary Sewer CIPP Lining

Staff: Recommended (X) Not recommended () No Position ()

Summary/Explanation: Request approval to issue Change Order No. 1 to Bid 20-100 to Insituform Technologies, for this year's sanitary sewer rehabilitation. This project includes 4,499-ft Cured-In Place Pipe (CIPP) lining of 8-inch diameter sanitary sewer lines along with lining the first 22-in of 114-laterals connecting to the public sanitary sewer main.

The rehabilitation of these sewer lines were identified in the Sanitary Sewer Evaluation Study (SSES) through the use of smoke and dyed water testing.

Rehabilitating these lines will reduce significant Inflow & Infiltration (I&I) in the sanitary sewer system.

This work was competitively bid in November 2019 and Insituform Technologies was the lowest bidder.

Budget Impact: (revenue generated, estimated cost, CIP item, budgeted, non-budgeted etc.)

Sewer Rehabilitation is budgeted annually and is also planned in the 5-yr CIP.

The cost breakdown is the following:

Water/Sewer Fund:	\$283,962.50
<u>Sewer Lateral Fund:</u>	<u>\$ 13,815.00</u>
Change Order Total:	\$297,777.50

Original Contract Amount: \$239,735.00

Revised Contract Amount: \$537,512.50

RBA requested by: Beth Mahler 4-16-20

CA: 
