

**Minutes of Meeting
City of Ladue Finance, Revenue, and Taxation Committee
January 11, 2016 at 8:30 AM**

A meeting of the Finance, Revenue, and Taxation Committee for the City of Ladue was held on January 11, 2016 at 8:30 a.m. at the City Hall conference room. The following members were present:

Chairman Jim Schiele
Mr. Joe Gazzoli
Ms. Gina Hoagland
Mr. Jim Thompson
Ms. Stacey Kamps

Also present were Ex-Officio members Mayor Nancy Spewak, Ms. Laura Rider, City Clerk/Asst. to the Mayor, Julie O'Guinn, Director of Finance, and Councilman John Fox.

The meeting was called to order by Chairman Schiele at 8:30 a.m.

Approval of the Agenda:

Mr. Thompson moved for approval and adoption of the agenda; seconded by Mr. Gazzoli, and the vote thereupon was as follows:

Chairman Jim Schiele	"Aye"
Mr. Joe Gazzoli	"Aye"
Ms. Gina Hoagland	"Aye"
Mr. Jim Thompson	"Aye"
Ms. Stacey Kamps	"Aye"

The motion was passed unanimously.

Approval of Minutes: None

Public Forum: None

Chairman Schiele stated the focus of the meeting today was to discuss financing of the new Firehouse #1 project. He re-affirmed his position as being opposed to any outside financing as long as the City's reserves are healthy enough to maintain the City's optimal fund balance.

Ms. O'Guinn discussed the General Fund Budget Summary. She stated the City's 2016 Budget Summary shows the reserves are healthy enough to handle the transfer for the new Firehouse #1 and also remain above the 50% threshold of expenses for an optimal fund balance. The summary shows the budget has had a year to year savings; 2015 to 2016 showed almost a \$600,000 surplus, not including the transfer from General to Capital for Firehouse # 1 project.

Ms. O'Guinn reviewed the financing options for constructing a new Firehouse #1. She first discussed internal financing from City reserves through a General Fund transfer to the Capital Improvements Fund. Ms. O'Guinn then compared the cost of internal financing, a private placement loan, and a public offering. The cost of internal financing due to loss of interest earned would be between \$200,000-\$400,000, which does not account for the loss of flexibility in the general fund; a private placement loan for \$3-4 million would cost the City between \$702,000-\$935,000; and a COP public issuance for \$3 million would cost \$1,038,095 and does not include employee time in complying with continuing disclosure requirements. However, there are several pros to a private placement loan: lower issuance fees, no CAFR information is needed, no annual disclosure requirements, use of a competitive bidding process to obtain a better rate and term, no early pay-off penalties, and lower over-all fees.

Mr. Gazzoli, Mr. Thompson, Ms. Kamps, and Ms. Hoagland all stated they would like for Ms. O'Guinn to send out a RFP for outside funding.

Mr. Fox stated he supported looking for outside funding, due to the possibility of the City having other Capital building needs in the near future.

Mr. Gazzoli suggested expediting a Needs Assessment Study to have a better idea of a timetable for other Capital needs.

Mayor Spewak asked if the RFP could go out within the next two weeks and asked that committee members email Ms. O'Guinn with terms for the RFP.

Ms. O'Guinn continued the review of the DOR Out-of-State Sales Tax Ballot Opportunity. The continuation of this sales tax requires a vote of the citizens. After discussion, the consensus of the committee was that an August ballot is the best option and gives the City time to educate the citizens on this issue.

Chairman Schiele asked for a motion to adjourn the meeting. Mr. Gazzoli made a motion which was seconded by Mr. Thompson and the vote thereupon was as follows:

Chairman Jim Schiele	"Aye"
Mr. Joe Gazzoli	"Aye"
Ms. Gina Hoagland	"Aye"
Mr. Jim Thompson	"Aye"
Ms. Stacey Kamps	"Aye"

The motion was passed unanimously and the meeting adjourned at 9:20 a.m.



James E. Schiele
Chairman