

**Minutes of Meeting
City of Ladue Finance, Revenue, and Taxation Committee
November 21, 2014 at 8:30 AM**

A meeting of the Finance, Revenue, and Taxation Committee for the City of Ladue was held on November 21, 2014 at 8:30 a.m. at the Ladue Police Department conference room. The following members were present:

Chairman Jim Schiele
Mr. Joe Gazzoli
Mr. Jim Thompson

Also present were Ex-Officio members Mayor Nancy Spewak and City Collector Stacey Kamps. Also present were: Mr. Mike Wooldridge, Asst. to the Mayor and City Clerk; Mr. Rick Jett, Director of Finance; Ms. Anne Lamitola, Director of Public Works; and John Bailot, Fire Chief. Absent were Dave Mueller, Joseph Rechter, and Gina Hoagland.

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

Approval of the Agenda:

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

Chairman Jim Schiele	"Aye"
Mr. Joe Gazzoli	"Aye"
Mr. Jim Thompson	"Aye"

The motion was passed unanimously.

Approval of Minutes:

Mr. Thompson moved for approval of the minutes from the May 14, 2014 meeting; seconded by Mr. Gazzoli, and the vote thereupon was as follows:

Chairman Jim Schiele	"Aye"
Mr. Joe Gazzoli	"Aye"
Mr. Jim Thompson	"Aye"

The motion was passed unanimously.

Public Forum: None

Chairman Schiele stated the purpose of this meeting is to review the first draft of the 2015 Budget and possibly adopt and recommend its approval the City Council.

Mr. Jett reviewed several key assumptions for the proposed 2015 budget: General Inflation – 1.9%, Full strength employee headcount – 86, Pooled payroll increase – 3%, Health Insurance - +4%, Dental Insurance – No change, Vision Insurance - +1%, all other insurance - +2.5%, Fuel – Unleaded \$3.30/gal, Diesel \$3.45/gal, AmerenUE - +9.7%, MSD - +13.3%, Water - +5%, Laclede Gas - +6%. He stated all budget revenues were a conservative estimate while all expenses were aggressive.

Mr. Thompson stated a 3% built-in raise is troubling. Mr. Jett responded stating a survey of comparable cities which included Clayton, Maplewood, Creve Couer, Richmond Heights, and Chesterfield are all getting 2.9% (Clayton) or 3% (all others listed). Mayor Spewak stated that some of

positions top out lower than several other cities. Chairman Schiele stated that it has always been the Council and committee's consensus that Ladue be in the upper 25% of cities.

Chairman Schiele asked Mr. Jett what percent of the pension are now funded. Mr. Jett stated the Uniform plan is approaching 80% and should approach 90% within the next 5-7 years. The Non-Uniform is currently around 91% and should approach 99% in the next 10 years.

Mr. Jett explained the proposed budget for fiscal year ending 12/31/2015. He stated the projected 12/31/2014 fund balance and 12/31/2015 reserves are as follows:

ITEM	GENERAL FUND	RD & BRDG FUND	CAPT IMP FUND	STRM WTR FUND	TOTAL MAJOR FUNDS
PROJECTED FUND BALANCE 12/31/14	\$10,250,126	\$2,248,390	\$416,665	\$6,387,040	\$19,302,220
REVENUE					
TAXES	8,052,227				\$8,052,227
LICENSES & PERMITS	576,983	36,000			\$612,983
INTERGOVERNMENTAL	2,462,883	826,000	873,500	1,028,000	\$5,190,383
CHARGES FOR SERVICES	352,695				\$352,695
FINES & FORFEITS	563,465				\$563,465
MISCELLANEOUS	129,377	1,288,233	9,098	1,144,211	\$2,570,919
TOTAL REVENUE	\$12,137,631	\$2,150,233	\$882,598	\$2,172,211	\$17,342,673
INTERFUND TRANSFERS	\$348,000	(\$321,000)		(27,000)	\$0
EXPENDITURES					
ADMINISTRATIVE	1,287,021	28,808			\$1,315,829
POLICE	4,481,353				\$4,481,353
FIRE	4,883,771				\$4,883,771
PUBLIC WORKS	1,533,300	1,912,502		385,125	\$3,830,927
CAPITAL ACQUISITIONS			502,236	1,404,889	\$1,907,125
TOTAL EXPENDITURES	\$12,185,445	\$1,941,310	\$502,236	\$1,790,014	\$16,419,005
OPERATING SURPLUS (DEFICIT)	\$300,186	(\$112,077)	\$380,362	\$355,197	\$923,668

RESERVE ADJUSTMENTS					
NET FUND ACTIVITY FOR 2015	\$300,186	(\$112,077)	\$380,362	\$355,197	\$923,668
PROJECTED FUND BALANCE 2015	\$10,550,312	\$2,136,313	\$797,027	\$6,742,236	\$20,225,888
CONTINGENCY RESERVE					
TOTAL EST. RESERVES 12/31/2015	\$10,550,312	\$2,136,313	\$797,027	\$6,742,236	\$20,225,888

Mr. Gazzoli asked if there was an additional \$1 million in the 2015 budget for the Pension plans, Mr. Jett answered no, that was only for the 2013 and 2014 budget and only the minimum obligation as figured by Milliman the City actuaries. Mr. Gazzoli asked what percentage of Ladue's Total Revenues are made up of Fines and Forfeits; Mr. Jett answered they were below 5%.

Mr. Thompson asked where Motor Vehicle Sales tax revenue was included in the budget; Mr. Jett stated that is in the Road and Bridge Fund.

Mr. Jett briefly reviewed the Road and Bridge, Capital Improvement, and Storm Water Funds; he stated Firehouse 2 is complete and Sales Tax revenue for 2015 has been forecast the same as 2014.

Mr. Jett then made available the financial statement as of 10/31/2014, per Mr. Thompson's request.

Chairman Schiele asked for a motion to adopt and recommend the 1st draft of the 2015 Budget to the City Council. 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"
Mr. Jim Thompson	"Aye"

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"
Mr. Jim Thompson	"Aye"

The motion was passed unanimously and the meeting adjourned at 9:40 a.m.

The next meeting date was set for December 4, 2014 at 8:30 a.m.


James E. Schiele
Chairman

