

**Minutes of Meeting
City of Ladue Finance, Revenue, and Taxation Committee
March 7, 2016 at 4:30 p.m.**

A meeting of the Finance, Revenue, and Taxation Committee for the City of Ladue was held on March 7, 2016 at 4:30 p.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; Richard Lincoff, City Collector; Kim Diamond, Attorney, Cunningham Vogel; and Councilman John Fox.

The meeting was called to order by Chairman Schiele at 4:38 p.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"
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 and finalize whether or not to finance the Firehouse #1 project and if so, then to choose the Bank to recommend to the City Council.

Chairman Schiele stated he is recusing himself from voting due to being on the Board of Directors of Commerce Bank. He also explained why he is adamant the City not borrow money. He stated in 1988 the City's surplus was under \$2 million while today it is around \$20 million. He stated he doesn't feel fiscally responsible to the citizens of Ladue to go into debt with that amount of money in reserves. He stated how much he regards each committee member and believes their knowledge, backgrounds, and diversity make this an extremely valuable committee. He then asked for a formal vote of each member as to whether they are for or against borrowing money. The vote thereupon was as follows:

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

Ms. Hoagland reviewed the criteria and reported on the negotiations with both Commerce and Central Banks. She stated Commerce confirmed the amortization schedule, 10 years for \$4.5 million, at 2.18%, agreed to lock in rate until 4/30/16, with no pre-payment penalty, confirmed fees not to exceed \$7,500 with a \$5,000 origination fee. Ms. Hoagland stated, in her experience, these fees are very reasonable. Central Bank reduced their interest rate to 2.5%, however even with their lower fees, it doesn't make up the difference in the higher rate when compared to Commerce. She stated Commerce has vast experience in holding these types of bonds and she recommended accepting their terms and closing the loan with Commerce Bank.

Mr. Thompson asked if both banks would hold the loans. Ms. Hoagland answered yes.

Ms. Diamond stated they have reviewed the terms of the loan from Commerce and they seem very reasonable, rates very competitive, and she agrees that Commerce Bank's experience will make the process much smoother and quality of service much better. She also stated the time frame is very do-able.

Mr. Gazzoli asked when the recommendation would be made to the City Council.

Ms. Diamond stated the recommendation would be made at the March 28th Council Meeting and the required ordinance would be passed at the April 25th meeting. She further explained the closing would be on April 26th, at which time the money would be placed into a trust account. She informed the committee the loan terms are "not to exceed" so the City does not have to take the entire \$4.5 million.

Ms. Hoagland made a motion to recommend to the City Council that they accept the terms of Commerce Bank's re-revised proposal and initiate the loan to finance the construction of Firehouse #1. which was seconded by Mr. Thompson and the vote thereupon was as follows:

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

Chairman Schiele asked for a motion to adjourn the meeting. Mr. Gazzoli made a motion which was seconded by Ms. Kamps 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 5:30 p.m.



James E. Schiele
Chairman