

**Minutes of Meeting
City of Ladue Finance, Revenue, and Taxation Committee
February 13, 2013 at 8:30 AM**

A meeting of the Finance, Revenue, and Taxation Committee for the City of Ladue was held on February 13, 2013 at 8:30 a.m. at the Ladue Police Department conference room. The following members were present:

Chairman Jim Schiele
Mr. Joe Gazzoli
Mr. Dave Mueller
Mr. Jim Thompson

Also present was Ex-Officio member Mayor Anthony Bommarito. Member Jonathan Dehner was absent. Ex-Officio members Treasurer Joe Rechter and Collector Anne Gagan were absent. Also present were Mr. Mike Wooldridge, Asst. to the Mayor and City Clerk, Mr. Rick Jett, Director of Finance, and Council members John Fox and Nancy Spewak.

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 Schiele	"Aye"
Mr. Joe Gazzoli	"Aye"
Mr. Mueller	"Aye"
Mr. Thompson	"Aye"

The motion was passed unanimously.

Approval of Minutes:

Chairman Schiele asked for any amendments, corrections or clarifications to the Minutes of the meeting of November 27, 2012. Mr. Gazzoli moved for approval of the minutes; seconded by Mr. Mueller, and the vote thereupon was as follows:

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

The motion was passed unanimously.

Public Forum:

There were no other members of the public in attendance.

Chairman Schiele continued by stating that the purpose of this meeting was to assess areas of possible cost reduction in the City of Ladue's budgets and also reminded the committee that every little bit counts and can add up to a significant amount of money. He stated that one area he thought

needed revisiting was the retention of the old ambulance and old pumper, which the Council agreed upon in the January 2013 meeting. Mr. Fox and Mrs. Spewak both agreed this issue should be brought to the attention of the new Fire Chief John Bailot and he should be charged with evaluating the need and presenting to the Council justification for keeping extra fire apparatus. Mr. Thompson asked if it was common practice and the Chairman answered that no, this is the first time Ladue has done this and we still have the ability to borrow fire apparatus from other Cities. Mayor Bommarito asked how much the sale of the extra equipment would amount to and how much savings in insurance and maintenance the City could expect. The committee agreed that a total of \$85,000-\$100,000 for the sale and savings was a reasonable expectation. Mayor Bommarito also stated that he thought all vehicles in all departments should be justified.

Mr. Thompson's primary area of concern is employee cost. He stated he felt that employee pay raises, both cost of living increases and the step program have unnecessarily inflated salaries. Mr. Mueller agreed and stated that a Compensation Committee should be formed to evaluate all employee increases individually. Mr. Mueller also stated that the practice of giving cost of living increases and step pay programs never happens in the business world. Mr. Mueller then asked Mr. Jett if other cities had Compensation Committees and Mr. Jett answered that he did not know of any, but added that Ladue administration does evaluate salaries of comparable communities and published salary surveys every year. Ms. Spewak agreed on the need for a Compensation Committee but stated that she thought it should be a subcommittee of the Finance Committee. Mr. Thompson also stated that the City's insurance coverage needs to be re-evaluated, specifically for employee theft limits and cyber fraud. Mr. Thompson also suggested that professional malpractice (errors and omissions) coverage be required in all professional service agreements with the City including engineering and audit contracts. Mr. Wooldridge reminded everyone that the City does have an Insurance Committee that reviews cost and coverage annually. Mr. Jett stated he would pass the Committee's concerns regarding insurance on to the Insurance Committee.

Mr. Gazzoli asked if the department heads were given a mandate to cut their budgets across the board by 5%-10% and stated that they should. He also thinks that vendor relationships, professional services, and legal services need to be re-evaluated. Mr. Wooldridge reminded the committee that while the Director of Public Works Anne Lamitola is an engineer, she cannot possibly do all engineering in house and engineering work is bid as a "Request for Qualification", not a bid for cost. Mr. Gazzoli then expressed concern over the leaf collection program and felt it should be outsourced.

Mr. Mueller reiterated his concern and desire to decrease employee compensation and costs.

Mr. Fox stated he is concerned with the 2 new firehouse projects and the lack of a project manager. The other committee and council members agreed and stated it would be worth the additional 1% cost to hire a construction manager.

Mrs. Spewak stated that it is never wrong to look at costs and that the timing to do so now was good in light of hiring two new department heads.

Mayor Bommarito stated that he felt that the pay step programs are outdated and broken and should be re-evaluated. He also stated the old Police building, which is currently being used as the Building Department and long-term mandatory records storage, should be demolished to save utility and insurance expenses. He also stated that the current fire house Construction Committee should include one member from the Finance committee.

Mr. Wooldridge then stated that in 2009 the City looked into outsourcing the Mulch program,

however no action was taken by the Council. In 2010, the City considered a proposal combining building departments with Olivette, Creve Coeur, and Frontenac, however no cost savings were found. In 2011, the City evaluated the possibility of outsourcing the landscaping and grounds keeping, however no action was taken by Council. He also stated that outsourcing Fire and Police dispatching has also been considered, however, at this time, no cost savings are available. Mr. Wooldridge stated that research into other potential cost savings to the City is and has been an internal, on-going process over the past few years.

The next meeting date was set at May 13th at 8:30 a.m.

There being no further business, Chairman Schiele recommended adjournment of the meeting at approximately 9:33 a.m.

Mr. Gazzoli motioned for adjournment of the meeting and Mr. Mueller seconded the motion and the vote thereupon was as follows:

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

The motion was passed unanimously.



James E. Schiele
Chairman