

**Minutes of Meeting  
City of Ladue Finance, Revenue, and Taxation Committee  
November 12, 2013 at 8:30 AM**

A meeting of the Finance, Revenue, and Taxation Committee for the City of Ladue was held on November 12, 2013 at 8:30 a.m. at the Ladue Police Department conference room. The following members were present:

Chairman Jim Schiele  
Dr. John Dehner  
Mr. Joe Gazzoli  
Mr. Dave Mueller  
Mr. Jim Thompson

Also present were Ex-Officio members Mayor Nancy Spewak and Treasurer Joe Rechter. Collector Anne Gagan was absent. Also present were Mr. Mike Wooldridge, Asst. to the Mayor and City Clerk, Mr. Rick Jett, Director of Finance, Councilman John Fox, Police Chief Rich Wooten, Sgt. Greg Stork, Fire Chief John Bailot, and Director of Public Works Anne Lamitola.

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

**Approval of the Agenda:**

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

Chairman Jim Schiele	"Aye"
Dr. John Dehner	"Aye"
Mr. Joe Gazzoli	"Aye"
Mr. Dave Mueller	"Aye"
Mr. Jim 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 May 13, 2013. Mr. Thompson moved for approval of the minutes; seconded by Mr. Mueller, and the vote thereupon was as follows:

Chairman Jim Schiele	"Aye"
Dr. John Dehner	"Aye"
Mr. Joe Gazzoli	"Aye"
Mr. Dave Mueller	"Aye"
Mr. Jim Thompson	"Aye"

The motion was passed unanimously.

**Public Forum:** None

Mr. Jett reviewed significant items in the draft of the Proposed Budget for fiscal year ending December 31, 2014.

General Fund

Projected fund balance 12/31/2013	\$ 9,789,819
Total Revenue	11,650,560
Interfund Transfers	303,000
Total Expenditures	12,557,861
Operating Surplus	395,699
Reserve Adjustment (Pension)	(1,000,000)
Net Fund Activity 2014	(604,301)
Projected Fund Balance 2014	\$ 9,185,518

Road & Bridge Fund

Projected fund balance 12/31/2013	\$ 2,150,838
Total Revenue	2,609,221
Interfund Transfers	(282,000)
Total Expenditures	2,368,786
Operating Surplus (Deficit)	(41,565)
Reserve Adjustment (Pension)	
Net Fund Activity 2014	(41,565)
Projected Fund Balance 2014	\$ 2,109,274

Capital Improvement Fund

Projected fund balance 12/31/2013	\$ 2,407,425
Total Revenue	885,186
Interfund Transfers	
Total Expenditures	2,999,220
Operating Surplus (Deficit)	(2,114,034)
Reserve Adjustment (Pension)	
Net Fund Activity 2014	(2,114,034)
Projected Fund Balance 2014	\$ 293,391

Storm Water Fund

Projected fund balance 12/31/2013	\$ 6,086,135
Total Revenue	2,629,850
Interfund Transfers	(21,000)
Total Expenditures	2,731,818
Operating Surplus (Deficit)	(122,968)
Reserve Adjustment (Pension)	
Net Fund Activity 2014	(122,968)
Projected Fund Balance 2014	\$ 5,963,167

Mr. Jett then explained that in general, most revenues for 2014 have been budgeted flat to 2013 projected results. Total budgeted expenditures of \$12,557,861 represent an overall 2.7% increase from the 2013 budget, which reflects a 3.2% increase in total personnel costs which are 85% of total General Fund expenditures. This includes a 2.5% economic adjustment which administration

feels was warranted due to St. Louis area inflation and a review of other community salary level budget changes (2.5-5%).

Mr. Jett reviewed and validated transfers from the Road & Bridge and Storm Water funds to the General Funds by applying actual cost percentages, which is supported by our City auditors.

Mr. Jett stated the need to review financing options for the Firehouse #2 building at the December meeting.

Mr. Gazzoli inquired as to our Pension plan funding level and Mr. Jett stated we are on track to be 88-90% funded over the next 10 years.

Mr. Mueller asked what best practices were in Missouri concerning reserve balances. Mr. Jett stated Missouri does not have a specific policy, however GFOA suggests 3 months. Chairman Schiele stated a 4 month reserve is this committee's policy.

Mr. Gazzoli asked if the City knew how much impact new businesses at Colonial Marketplace would have on sales tax revenue. Mr. Jett stated this was unknown.

Mr. Thompson asked about the employee headcount of 86 compares to 2013 and Mr. Jett answered it is the same and this represents full staff. Mr. Jett also noted that Public Works is not going to fill two open positions and they will not be direct hiring any temporary employees.

Mr. Mueller remarked that the combination of the COLA and step raises some employees get are forcing salaries up, Mr. Gazzoli and Mr. Thompson concurred.

Mr. Thompson asked what is included in the Special Pay category. Mr. Jett explained this occurs at termination and is made up of the payout of accrued sick and vacation.

Mr. Jett stated that the budget reflects aggressive costs and conservative revenues.

Mayor Spewak commended the department heads for their extensive review and commitment to keeping costs reasonable.

Mr. Gazzoli asked if going forward it would be possible to show a proposed budget vs. estimated current year. Mr. Jett stated he would include this comparison in the next budget process.

Chairman Schiele asked for a motion to adopt and recommend the 1<sup>st</sup> draft of the 2014 Budget to City Council. Mr. Mueller made a motion which was seconded by Mr. Thompson and the vote thereupon was as follows:

Chairman Jim Schiele	"Aye"
Dr. John Dehner	"Aye"
Mr. Joe Gazzoli	"Aye"
Mr. Dave Mueller	"Aye"
Mr. Jim Thompson	"Aye"

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

Chairman Jim Schiele	"Aye"
Dr. John Dehner	"Aye"
Mr. Joe Gazzoli	"Aye"
Mr. Dave Mueller	"Aye"
Mr. Jim Thompson	"Aye"

The next meeting date was set for December 4<sup>th</sup>, 2013 at 8:30 a.m.



James E. Schiele  
Chairman