

**MINUTES OF WORK SESSION
CITY COUNCIL OF THE CITY OF LADUE
ST. LOUIS COUNTY, MISSOURI
MONDAY, NOVEMBER 16, 2020**

The work session of the City Council of the City of Ladue, St. Louis County, Missouri, was held on Monday, November 16, 2020, at 3:00 p. m., by Video Conference via Zoom and at City Hall, 9345 Clayton Road. The following members were present:

The Hon. Nancy Spewak, Mayor, presided over the work session from her office at City Hall via Zoom.

Members of the Council present via Zoom:

Stacey Kamps
Patrick Hensley
Harold Burroughs
William Brennan
John Fox

Absent:

John Howell

Five Council Members present.

Also present were Ms. Laura Rider, Assistant to the Mayor/City Clerk in the Council Chambers via Zoom; Also present via Zoom were Mr. Sam Zes, Finance Director; Ms. Anne Lamitola, Public Works Director, Police Chief Ken Andreski, Jr.; Fire Chief Steven Lynn; and Mr. Roger Stewart, Building Official.

Council Member Fox moved approval of the agenda, upon second by Council Member Hensley the motion passed unanimously.

Items for discussion: Draft 2021 Budget

Mr. Zes announced that he just received word that the City received the distinguished budget award from the Government Finance Officers Association. Mayor Spewak suggested a formal presentation of the plaque at the December Council meeting.

Mr. Zes presented the draft 2021 budget highlighting that the deficit of \$8.6 million was across all funds with \$5.2 million of the total deficit attributed to the Storm Water Fund and noted the Road & Bridge and Storm Water Funds are dedicated funds. The Public Safety Fund breaks even each year and the Capital Improvement Fund showed a deficit of \$584,000. Mr. Zes stated that a number of deferred Capital expenditures in 2020 are now moving forward so the deficit could

change by the presentation of the final budget in December. Mr. Zes anticipated a \$2 million deficit in the General Fund.

Mr. Zes reported on 2020 projections. The City was awarded \$585,000 from St. Louis County CARES Act funding. Revenues were actually a lot lower than budget than it appears, due to the CARES Act funding. Interest on investments was very low and as the fund balance decreases, interest income will decrease. Sales tax revenue could be about \$150,000 - \$150,000 under budget by year end. Mr. Zes reported that revenue is down across St. Louis County.

Mr. Zes reported there was a 1.66% increase in personnel costs with most of that attributed to insurance costs, salaries are projected lower in 2021 than in the 2020 budget.

Mr. Zes reviewed the long-term projection and estimated that the minimum fund balance according to the City's policy would be reached by the end of 2021 and recommended discussing plans for placing a ballot question regarding a property tax increase before the voters.

Mayor Spewak commented that the City had made a conscious decision to spend down reserves in a responsible manner in order to place a tax increase before the voters when the reserve funds met the range in accordance with the policy so that the city would have ample reserves but not excessive reserves.

Council Member Kamps stated that the City and staff had done an excellent job in finding ways, cost savings, grants, etc. to push out the timing of when the City would have to present a tax increase to the residents when it was projected to happen years earlier than 2022.

Council Member Hensley inquired about the contract with Ladue School District for the resource officer and whether that would continue. Chief Andreski stated that he had discussions with School District Officials, and they indicated they want to continue the relationship with Ladue for the School Resource Officer. The Chief reported that while St. Louis County is discontinuing their officers working in schools, it does not affect municipalities.

Council Member Kamps asked if there was anything on the horizon that might impact the budget either positively or negatively. Mayor Spewak reported that the City Attorney's firm was auditing telephone service providers but had no information to share at that time. The Mayor also mentioned that the City would most likely be reviewing business license fees. Mr. Zes noted that the Insurance Committee works with the broker and employees annually during the renewal process to explore cost saving measures for medical insurance.

Discussion turned to the potential timeline for presenting a tax increase to the voters. Mayor Spewak stated that the Finance Committee will have a better idea of the timing after the first quarter next year.

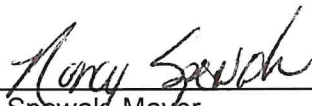
Mr. Jim Schiele commented that in his opinion, a tax increase is needed and should be of an adequate percentage to last for some time.

Discussion ensued regarding expenditures and the status of the City's equipment and vehicles. It was noted that it is uncertain if in-person training and travel will resume in 2021.

Mr. Zes stated that the new financial software allows much more in-depth analysis of revenues and noted that the monthly financial reports are produced in the new software.

Adjournment: Council Member Fox moved adjournment, upon second by Council Member Hensley, the motion passed unanimously. The work session adjourned at 3:36 PM.

APPROVED THIS 21ST DAY OF DECEMBER 2020.



Nancy Spewak, Mayor

ATTEST:



Laura Rider, City Clerk