

**MINUTES OF WORK SESSION
CITY COUNCIL OF THE CITY OF LADUE
ST. LOUIS COUNTY, MISSOURI
MONDAY, NOVEMBER 19, 2018**

The work session of the City Council of the City of Ladue, St. Louis County, Missouri, was held on Monday, November 19, 2018, at 3:08 p.m., at the City Hall, 9345 Clayton Road. The following members were present:

The Hon. Nancy Spewak, Mayor, presiding.

Members of the Council present:

Stacey Kamps
John Howell
Patrick Hensley
Harold Burroughs
William Brennan

Absent:

John Fox

Five Council Members present.

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

Items for discussion: Review of the draft 2019 budget

Mr. Zes began with a summary of the 2018 Forecast noting a significantly reduced deficit. The biggest factor contributing to the reduced deficit is a one-time payment of \$309,000 from MSD for easements for projects within the City. Mr. Zes recommended cancelling the \$1 million transfer from the General Fund to the Capital Fund. The transfer is not necessary due to increased sales tax revenue, improved investment returns, the new Prop P sales tax and reduced future expenditures. The 2018 Forecast includes an additional contribution to the Uniform and Non-Uniform Pension Funds. The actuarial required contributions were less than the amount budgeted by \$171,910. The Finance Committee has recommended that the City contribute the additional \$171,910 variance from budget to the Pension Funds. Mr. Zes indicated that he would request authorization from the Council for the additional payment at the regular Council meeting following the work session.

Mr. Zes continued summarizing other noteworthy items in the 2018 Forecast; reduced rates for Workers Compensation Insurance, Comprehensive Plan and Zoning Ordinance Update has been reallocated for 2019 and salaries less than budget due to vacancies.

Mr. Zes next addressed the proposed 2019 budget highlights. As previously stated, for the Comprehensive Plan and Zoning Ordinance Update \$150,000 was budgeted over two years (2018-2019) but with the update process delayed the entire \$150,000 is budgeted in 2019. Salaries are increasing across all departments by 2.87% due to salary increases and vacancies filled. \$69,700 is included in the proposed budget for retirement payouts. Retirement payouts are not an annual recurring expense. The proposed budget includes a 28% increase or approximately \$176,000 for medical insurance. Mr. Zes reported that the Insurance Committee is working with Daniel & Henry and exploring potential options that may reduce the expected increase.

Mr. Zes explained due to state mandates the Municipal Court will have a separate budget beginning in 2019 and a new separate bank account. Council Member Hensley inquired about the reason for the change. Ms. Rider responded the changes are a continuation of court reform and the separation of the Municipal Court from the City. The Court is required to transition to a new Show-Me Court software. The software will be used by all courts across the state with St. Louis County Courts being the first to implement the new software. The use of the new bank account will coincide with the migration to the new software.

Mr. Zes commented on real estate taxes, the most significant revenue source, and the unpredictability of timing of receiving distributions from St. Louis County. The swing can significantly affect the surplus or deficit because of the modified accrual accounting used by cities. Only revenue received in the first sixty days of the new fiscal year is accounted for in the previous fiscal year. Any monies received after the end of February is accounted for in the current year. This affects all cities except for those with a June 30 fiscal year. Discussion ensued regarding the possibility of Ladue changing to a June 30 fiscal year.

Mr. Zes reported that he plans to present a budget amendment for the additional funds applied to the Fire House lease to the Council at their December meeting.


Mr. Zes pointed out that the proposed budget has more details than in the past. A budget calendar, history of Ladue and a user's guide have all been added new this year.

Mayor Spewak reminded Council of some of the larger projects included in the 2019 proposed budget; a facilities needs assessment for City Hall, Building Department and Public Works, and road projects.

It was noted the Finance Committee will meet on December 5th for final review of the proposed 2019 Budget with their recommendation presented to the City Council on December 17th.

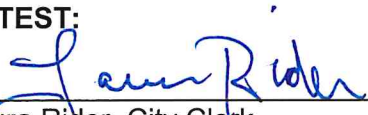
Adjournment: Council Member Hensley moved adjournment, seconded by Council Member Howell, which motion passed unanimously. The work session adjourned at 3:42 PM.

APPROVED THIS 17TH DAY OF DECEMBER, 2018.



Nancy Spewak, Mayor

ATTEST:



Laura Rider, City Clerk