

**Minutes of Meeting
City of Ladue
Finance, Revenue, and Taxation Committee
February 13th, 2018**

A meeting of the Finance, Revenue, and Taxation Committee for the City of Ladue was held on February 13, 2018 at 8:00 a.m. in the City Hall Council Chambers. The following members were present:

Chairman Jim Schiele	
Mr. Joe Gazzoli	
Ms. Stacey Kamps	
Mr. Jim Thompson	
Ms. Gina Hoagland	
Mr. Richard Lincoff	Ex-Officio
Mayor Nancy Spewak	Ex-Officio

Also present were City Councilman John Fox; Mr. Sam Zes, Finance Director; and Ms. Laura Rider, City Clerk and Assistant to the Mayor. Ex-Officio member Mr. Joseph Rechter was absent.

The meeting was called to order by Chairman Schiele at 8:00 a.m.

Approval of the Agenda:

Mr. Gazzoli moved approval and adoption of the agenda; seconded by Ms. Hoagland which motion passed unanimously.

Approval of the Minutes:

Mr. Thompson moved approval of the minutes, as amended, from the November 30, 2017 meeting, seconded by Ms. Kamps, which motion passed unanimously.

Public Forum: Dr. Jonathan Dehner was present but offered no comment.

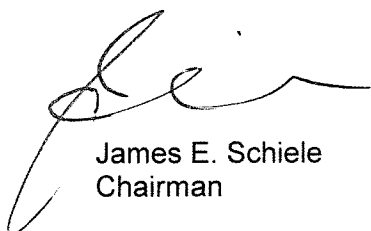
The committee began by discussing revenue and personnel costs of other comparable cities. Mr. Gazzoli asked how the City of Ladue compares to other cities regarding property tax rates. The Mayor stated that the City of Ladue has a low tax rate compared to other cities. Mr. Gazzoli then asked Mr. Zes to compile real estate tax rates of comparable cities. Mr. Thompson asked how the Uniform employees' wages compare. Mayor Spewak stated the Fire and Police are currently being paid in the top 50% with the City's goal being the top 25%. He then asked the total number of employees, population of Ladue, and total area of Ladue and how those answers compared to other cities. Ms. Hoagland stated these comparisons are not always valid due to differing sales tax bases, city facilities and/or programs, and various city funds used to pay for the expenses. Mr. Gazzoli asked Mr. Zes to email the CBIZ wage study to the committee. Mr. Thompson asked about tax contributions from the private clubs in Ladue. Mr. Zes stated that these properties are paying some fees and property taxes, but sales tax is limited to retail merchandise purchases.

A discussion ensued regarding the amount of money that the City should keep in reserves for the General Fund. The minimum recommendation from GFOA is two months of reserves, but the Committee recognized that is just a minimum and would likely feel more comfortable with a longer reserve. Ms. Kamps suggested identifying the bare bones to operate the City if we found ourselves in a grave situation. Mr. Zes stated that comparable have average reserves of 8.7 months. After considerable discussion, the committee agreed that a minimum 4 month reserve balance with a 6 month target would be appropriate for Ladue.

Ms. Hoagland raised the issue of timing for a property tax increase. The committee members discussed all revenue sources and current fund balances and reserves. Ms. Hoagland reminded the committee that some funds are restricted and can only be used for specified items, therefore they cannot be used for regular City business in the event of an emergency. Chairman Schiele stated that it has taken thirty years to build the surplus that we have and that he strongly recommends preserving it, thus going for a tax increase in the immediate future. It was noted by Ms. Hoagland that it could prove difficult to ask voters in 2018 for a property tax increase after operating with a surplus every year until 2017 in which we were projected to break even. The discussion continued with the consensus being that the need to go to the voters could be likely within the next couple of years.

Mr. Thompson moved to adjourn the meeting; seconded by Ms. Kamps which motion passed unanimously.

The meeting adjourned at 9:00 a.m.

A handwritten signature in black ink, appearing to read 'J. Schiele', with a long horizontal flourish extending to the right.

James E. Schiele
Chairman