

**Minutes of Meeting
City of Ladue
Finance, Revenue, and Taxation Committee
Tuesday July 23, 2019 8:00 A.M.**

A meeting of the Finance, Revenue, and Taxation Committee for the City of Ladue was held on July 23, 2019 at 8:00 a.m. in the Ladue Police Department 2nd Floor Conference Room. The following members were present:

Chairman Joseph Gazzoli	
Ms. Gina Hoagland	
Mr. Maurice Quiroga	
Mr. Jim Thompson	
Mayor Nancy Spewak	Ex-Officio
Mr. Joseph Rechter	Ex-Officio

Also present were Council Member Stacey Kamps; Mr. Sam Zes, Finance Director; and Ms. Laura Rider, City Clerk/Assistant to the Mayor. Committee Member James Schiele was absent.

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

Approval of the Agenda:

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

Approval of the Minutes:

Mr. Quiroga moved approval of the minutes from the June 5, 2019 meeting, seconded by Mr. Thompson, which motion passed unanimously.

Public Forum: No members of the public were present.

Mr. Zes discussed the Mid-Year Financial Report and status of the City. The City's overall revenues across all major funds are 5.06% higher compared to the year-to-date budget. Combined major fund expenditures are lower compared to the year-to-date budget with a variance of 13.13%. Current expense variances are primarily related to the timing of major capital expenditures and timing of projects in the Road & Bridge fund.

General Fund revenues are 1.49% higher than the YTD budget. This increase is due to increased sales tax revenue and earnings on investments. Earnings on investments across all funds over the past five years have increased as follows:

- 2014 - \$ 52,852
- 2015 - \$ 55,002
- 2016 - \$ 99,201
- 2017 - \$194,104
- 2018 - \$362,844

This increase is directly attributed to the current Director of Finance actively managing reserve balances and investments as opposed to the more passive approach taken previously.

General Fund year-to-date expenditures are 6.25% lower than the YTD budget. Personnel expenditures are 4.5% lower while non-personnel expenditures are 15.98% lower than YTD budget.

Current expense variances are related to a combination of timing of purchases and management continuously looking for ways to cut costs while maintaining City services. The City's management team's current focus has been not only on increasing efficiency within the budget but also on tightening budget variances. Mr. Zes discussed the option of adding a line item on the budget summary to take into account employee vacancies so variances are more easily identified and explained.

The Road and Bridge Fund YTD revenues are 11.39% higher than YTD budget largely due to earnings on investments, while expenses are 64.93% lower than YTD budget due to timing of projects.

The Capital Improvement Fund YTD revenues are 16.32% higher than YTD budget due to an increase in sales tax revenue and earnings on investments. Expenses are 23.16% lower than YTD budget due to the timing of purchases and are not expected to exceed budgeted amounts.

The Storm Water Fund YTD revenues are 13.23% higher than YTD budget which is attributed to increased sales tax revenue and earnings on investments. YTD expenses are 3.24% lower than the YTD budget due to timing and will not exceed the budget.

The Public Safety Fund revenues are 8.45% higher than YTD budget which is attributed to increased sales tax revenue. The Public Safety Fund has one annual transfer to the General Fund and one transfer to the Capital Improvement Fund to provide for Police and Fire Department needs.

The committee then discussed various sources of tax revenues. Mr. Zes explained the increase in real estate assessed valuation by the St. Louis County Assessor's Office this year means the City will have to reduce its property tax rate. The committee then discussed the possibility of asking the voters to approve a use tax on internet sales.

Ms. Hoagland moved adjournment; seconded by Mr. Quiroga, which motion passed unanimously.
The meeting adjourned at 9:05 a.m.

Joseph Gazzoli
Chairman