

**Minutes of Meeting  
City of Ladue Finance, Revenue, and Taxation Committee  
November 2, 2015 at 2:00 PM**

A meeting of the Finance, Revenue, and Taxation Committee for the City of Ladue was held on November 2, 2015 at 2:00 p.m. at the City Hall conference room. The following members were present:

Chairman Jim Schiele  
Mr. Joe Gazzoli  
Ms. Gina Hoagland  
Mr. Jim Thompson

Also present were Ex-Officio members Mayor Nancy Spewak, City Collector Stacey Kamps, City Treasurer Joseph Rechter, Laura Rider, City Clerk/Assistant to the Mayor, Julie O'Guinn, Director of Finance, Jen Kissinger with Paric, Councilman John Fox, and Asst. Fire Chief Jeff Johnson.

The meeting was called to order by Chairman Schiele at 2:00 p.m.

**Approval of the Agenda:**

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

Chairman Jim Schiele	"Aye"
Mr. Joe Gazzoli	"Aye"
Ms. Gina Hoagland	"Aye"
Mr. Jim Thompson	"Aye"

The motion was passed unanimously.

**Approval of Minutes:**

Mr. Thompson moved for approval of the minutes from the May 8<sup>th</sup>, 2015, both open and closed meetings, seconded by Mr. Gazzoli and the vote thereupon was as follows:

Chairman Jim Schiele	"Aye"
Mr. Joe Gazzoli	"Aye"
Ms. Gina Hoagland	"Aye"
Mr. Jim Thompson	"Aye"

The motion was passed unanimously.

**Public Forum:** Dr. Jonathan Dehner – no comments.

Ms. O'Guinn presented her review of the 2016 Draft Budget. She stated Total Revenue for the 2016 Budget is forecasted up 2.3%. Significant changes are in Licenses and Permit Fees which are up by 24.2%; Intergovernmental Revenue is up about 4%; Charges for Services is up 7.1%; while Court Fines and Forfeits are down (-26.1%). Total City Expenditures are forecasted up 3.3% in 2016. Significant changes are the Administration department due to the formation of a separate Building department. Average personnel costs are up 3.1%, while all other costs are up 4.1%. The estimated reserve balances at 12/31/16 are: General Fund \$8,879,483 (which includes a \$2.4 million transfer from the General fund to the Capital Improvement fund for the new construction of Firehouse 1); Road and Bridge \$2,161,863; Capital Improvements \$1,282,866; and Storm Water \$7,475,966; for a Total Reserve balance of \$19,800,178.

Mr. Fox then updated the committee on the progress of the Firehouse #1 project. He stated the new house would be built on current City property. The Firehouse committee met with Chief Lynn and the Firefighters to discuss likes and dislikes at the new Firehouse #2. Feedback was mostly positive with the exception of the front doors which allow only a 6" clearance on each side of the fire apparatus. Mr. Fox stated Firehouse #1 will be about 24% larger than Firehouse #2, therefore the cost estimate came in 8.5% higher than when building Firehouse #2.

Mr. Rechter asked how much contingency was included in estimate. Ms. Kissinger stated 7.5%.

Ms. Hoagland asked about cost overruns in the Firehouse #2 project. Mr. Fox explained the initial budget was inaccurate, and once correct numbers were given, the project remained on budget and on schedule.

Mr. Thompson stated he felt the bid process should be accelerated. Mr. Fox stated the process is currently on schedule and cannot be accelerated due to the next phase of soil testing not in the 2015 budget.

Mr. Gazzoli asked how the City was planning on funding the Firehouse #1 project. Ms. O'Guinn stated there is enough money in the General Fund to make a one time, \$2.4 million transfer into Capital Improvements, then the Capital Improvements Fund would repay the General Fund over a designated period of time. However, she also stated there are other options available; public funding in the form of a bond issue, or since interest rates are so low, the City could borrow the money. Mr. Schiele firmly expressed his opinion that the City should not go into debt if it does not have to. The committee asked Ms. O'Guinn to further investigate the possibility of obtaining a loan.

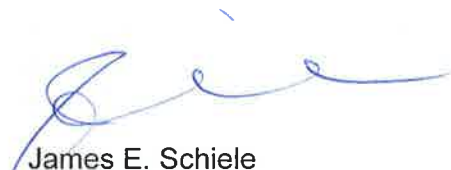
Ms. Rider addressed the question raised during the last meeting concerning the formation of a separate 'Audit Committee'. She reported that when the Finance Committee was formed and the Ordinance written, it was intended that this committee "shall review the results of the annual independent audit and make appropriate recommendations to the Mayor and Council based upon the findings therein." Ms. Rider also stated our current auditor said it is very common for cities of Ladue's size to have the Finance Committee review the annual audit findings and it is not necessary to have a separate audit committee.

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

Chairman Jim Schiele	"Aye"
Mr. Joe Gazzoli	"Aye"
Ms. Gina Hoagland	"Aye"
Mr. Jim Thompson	"Aye"

The motion was passed unanimously.

The motion was passed unanimously and the meeting adjourned at 3:15 p.m.



James E. Schiele  
Chairman