

**Minutes of Meeting
City of Ladue
Finance, Revenue, and Taxation Committee
Wednesday December 5, 2018 8:00 A.M.**

A meeting of the Finance, Revenue, and Taxation Committee for the City of Ladue was held on December 5, 2018 at 8:00 a.m. in the Ladue Police Department conference room. The following members were present:

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

Also present were Council Member John Fox; Council Member Stacey Kamps; Mr. Sam Zes, Finance Director; and Ms. Laura Rider, City Clerk/Assistant to the Mayor. Mr. Joseph Rechter 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 October 23, 2018 meeting, seconded by Mr. Thompson, which motion passed unanimously.

Public Forum: During the period for public comment none was offered.

Mr. Zes reviewed a proposed 2018 Budget Amendment with the Committee. He explained that due to the construction cost of the new fire house coming in under budget, the remaining funds were applied to the balance of the escrow fund at Commerce Bank. The City will save \$67,608.20 in interest over the life of the loan. Capital Expenditures – Debt Service Principal (Account 4750-6-00) needed to be increased by \$393,000. Ms. Hoagland moved approval of the 2018 Budget Amendment; seconded by Mr. Quiroga, which motion passed unanimously.

Mr. Zes reviewed changes in the 2019 Draft Budget. He explained the forecasted deficit has decreased for both 2018 and 2019 mainly due to increased utility tax revenues and investment income. Other changes included Generator Maintenance, which was added to the Fire Department budget and an additional \$40,000 to the Capital budget for financial software, bringing the line item to \$160,000.

Mr. Zes went on to explain the Building Department's existing software will be compatible with the new financial software or if they choose they can convert to the new software as it has a module for permitting and inspections. Mr. Zes and the committee discussed the need for the new financial software package as well as specifications, security, data ownership, and hardware requirements of new software. Mr. Zes offered to send the financial software proposals to the committee members for their review.

Mr. Gazzoli stated he thought the comparisons on the 2019 Budget Message were somewhat inconsistent and could be improved. Mr. Zes stated he would incorporate both Budget vs. Projection and

2018 Budget vs. 2019 Budget and explain the variances. Mr. Schiele commended Mr. Zes on the quality of the 2019 Budget document. The committee agreed.

Mr. Gazzoli asked Mr. Zes if there was any progress in changing from a calendar fiscal year to a June 30 fiscal year. Mr. Zes stated this will be a slow process which still needs to be discussed with the City's auditors.

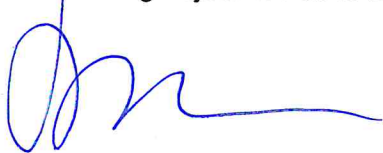
Mr. Quiroga asked why the City was not attempting to cut costs in response to a deficit budget. Mayor Spewak explained that she, the City Council, the department heads, and City staff have been diligently pursuing any cost savings and revenue opportunities available; while always placing the safety of the community first.

Mr. Schiele made a motion to adopt and recommend the 2019 Draft Budget with the changes to the Budget Message to the City Council; seconded by Mr. Quiroga, which motion passed unanimously.

Mr. Gazzoli suggested scheduling a meeting soon to discuss the plans and goals for 2019 and the future.

Mr. Schiele moved adjournment; seconded by Ms. Hoagland, which motion passed unanimously.

The meeting adjourned at 8:42 a.m.



Joseph Gazzoli
Chairman