

**Minutes of Meeting
City of Ladue
Finance, Revenue, and Taxation Committee
December 8, 2016**

A meeting of the Finance, Revenue, and Taxation Committee for the City of Ladue was held on December 8, 2016 at 3:07 p.m. in the City Hall Administration Conference Room. The following members were present:

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

Absent:

Ms. Stacey Kamps	
Mr. Joseph Rechter	Ex-Officio
Mr. Richard Lincoff	Ex-Officio

Also present were Ms. Laura Rider, City Clerk/Asst. to the Mayor; Mr. Sam Zes, Finance Director and Councilman John Fox.

The meeting was called to order by Chairman Schiele at 3:07 p.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:

Ms. Hoagland moved approval of the minutes from the November 7, 2016 and November 14, 2016 meetings, seconded by Mr. Thompson, which motion passed unanimously.

Public Forum: Mayor Emeritus Tony Bommarito was present but offered no comment at the time.

Motion to recommend 2016 Budget Amendments to City Council:

Finance Director Sam Zes reviewed the 2016 proposed budget amendments. The first amendment is the \$2,400,000 one-time transfer from the General Fund to the Capital Fund that was included in the 2016 Budget to pay the debt service for the new firehouse. The City's auditor confirmed that since the transfer will not be made, best practice is to amend the budget to reflect this.

The second amendment is for \$30,000 to increase legal fees from \$40,000 to \$70,000. There have been increased legal costs for the City's defense in the litigation filed in regard to the Special Use Permit issued to MICDS.

Mr. Thompson moved recommendation for approval of two budget amendments (\$2,400,000 transfer and \$30,000 for legal fees) to the City Council, seconded by Mr. Gazzoli, which motion passed unanimously.

Review of the 2017 Draft Budget with Council Recommendations:

Mr. Schiele stated that the City Council has recommended that the Finance Committee consider inclusion of a 2% salary increase in the 2017 budget. The Committee can consider the 2% increase or propose some other percentage and return the recommendation back to the Council.

Discussion ensued in regard to a salary increase, other rising personnel costs and a significant deficit for 2017 and future years. Upon conclusion of discussion the consensus of the committee was to stand by their original recommendation of 0% salary increase for 2017.

Mayor Spewak stated that early next year staff will begin to study and develop a comprehensive pay policy including determining our comparable cities. Mayor Spewak reminded the Committee members that the departments will be reviewing their operations and making recommendations on ways to reduce costs to help offset the deficit which the committee will review early next year.

Mr. Zes explained that the Administration Department would like to include \$20,000 in the 2017 budget for election costs. The consensus of the Committee was to recommend the 2017 draft budget back to the Council with 0% salary increase and inclusion of \$20,000 for elections costs.

Mr. Schiele stated that he will draft a memo to the Council explaining the Finance Committee's recommendation and circulate the memo to the committee members for their comments.

Ms. Hoagland moved to adjourn, seconded by Mr. Gazzoli, which motion passed unanimously.

The meeting adjourned at 3:54 p.m.



James E. Schiele
Chairman