

**Minutes of Meeting  
City of Ladue  
Finance, Revenue, and Taxation Committee  
September 12, 2017**

A meeting of the Finance, Revenue, and Taxation Committee for the City of Ladue was held on September 12, 2017 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	
Mr. Joseph Rechter	Ex-Officio
Mr. Richard Lincoff	Ex-Officio
Mayor Nancy Spewak	Ex-Officio

Absent: Ms. Gina Hoagland

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

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. Kamps, which motion passed unanimously.

**Approval of the Minutes:**

Ms. Kamps moved approval of the minutes from the May 9, 2017 meeting, seconded by Mr. Gazzoli, which motion passed unanimously.

**Public Forum: None**

Chairman Schiele stated the purpose of this meeting was to begin the review of the 2018 Draft Budget as well as continue the discussion concerning long-term projections. Mr. Zes reviewed the Notice of Public Hearing for the Proposed Budget for Fiscal Year Ending December 31, 2018 and said these very preliminary numbers represent a "worst-case" and very conservative scenario. He stated the projected fund balance at 12/31/2017 is \$23,485,674, and the preliminary 2018 budget currently reflects a \$4,636,140 reduction in fund balance by 12/31/2018. However, he did note that it is very early in the budget process and updated numbers would be available in late November or early December.

Mr. Rechter asked how much tax or license revenue Ladue collected from the various country clubs, churches, and schools in Ladue. Mr. Zes stated beyond actual real estate property taxes, Clubs pay a small amount of sales tax from food and shops, and only .10/square foot for their business license; churches and schools pay nothing. Chairman Schiele asked Mr. Zes to research how other Cities handled country clubs. Mr. Gazzoli asked about the Professional Fees line item for Planning Consultants, Comprehensive Plan, and Zoning in the Building Department expense budget. Mayor Spewak contacted Anne Lamitola, Direct of Public Works by speaker phone and asked her to explain this. Ms. Lamitola stated this was a legal review and update to both the City's Comprehensive Plan and the City's Zoning ordinance. She stated that this project and cost could be spread out over a period of time and did not have to be completed in 2018. Mr. Gazzoli also asked about the CBIZ Compensation Study. Mayor

Spewak explained the City Council had voted to proceed with a complete compensation study, not only to compare salaries, but to also assist Ms. Rider and Ms. Lamitola in creating a Non-Uniform pay plan, which the City does not currently have in place. Mr. Rechter asked about the volatility of "Court Revenue". Councilman Fox stated our Police Department's objective is to enforce the law and protect public safety, not generate revenue. Ms. Kamps asked how much insurance is projected to increase and Mr. Zes stated 10%. Ms. Kamps also inquired about the Storm Water needs Assessment/Plan and Storm Water Implementation/Design. Mr. Zes stated there could be grant opportunities that the budget would not reflect. Mr. Lincoff asked what the alarm permitting process entailed, Mr. Zes explained.

Chairman Schiele pointed out the projected deficit in the 2018 budget and noted the significant dip in the reserve balance. Ms. Kamps reminded the committee the focus should be on the General Fund and when a tax increase should be considered. Mr. Rechter asked about getting a bond rating for the City. Mr. Fox and Mr. Gazzoli agreed that Mr. Zes should investigate what criteria are used to rate a City. Chairman Schiele stated it would be wise to go for a tax increase sooner – 2018, rather than later with the possibility of a graduated increase. Ms. Kamps stated she thinks its too soon and stands by her statement from the June meeting that the City's reserves need to be spent down before asking for a tax increase. Mr. Gazzoli and Mr. Lincoff agree and stated when will depend on many factors, which are unknown at this time. Mr. Fox stated when a tax increase is put to the voters, it should be enough to run the City for several years with a surplus budget.

Mayor Spewak asked the committee to review the draft budget line by line and ask questions to encourage ideas and communication. She stated there are a large number of unknowns at this time including revenue potential from Proposition P, the City Planner is currently investigating business district opportunities, as well as online sales and use taxes. Mayor Spewak stated she wants to make sure the City has done everything it can do to maintain its current level of services while controlling expenses before asking the residents for a tax increase.

The meeting adjourned at 9:00 a.m.

James E. Schiele  
Chairman