

**Minutes of Meeting
City of Ladue Finance, Revenue, and Taxation Committee
May 13th, 2013 at 8:30 AM**

A meeting of the Finance, Revenue, and Taxation Committee for the City of Ladue was held on May 13, 2013 at 8:30 a.m. at the Ladue Police Department conference room. The following members were present:

Chairman Jim Schiele
Dr. John Dehner
Mr. Dave Mueller
Mr. Jim Thompson

Also present was Ex-Officio member Mayor Nancy Spewak and Treasurer Joe Rechter. Member Joe Gazzoli and Collector Anne Gagan were absent. Also present were Mr. Mike Wooldridge, Asst. to the Mayor and City Clerk, Mr. Rick Jett, Director of Finance, City Attorney John Maupin, and Michelle Graham, auditor at Botz, Deal and Company, P.C.

The meeting was called to order by Chairman Schiele at 8:30 a.m.

Approval of the Agenda:

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

Chairman Schiele	"Aye"
Dr. Dehner	"Aye"
Mr. Mueller	"Aye"
Mr. Thompson	"Aye"

The motion was passed unanimously.

Approval of Minutes:

Chairman Schiele asked for any amendments, corrections or clarifications to the Minutes of the meeting of February 13, 2013. Mr. Mueller moved for approval of the minutes; seconded by Dr. Dehner, and the vote thereupon was as follows:

Chairman Schiele	"Aye"
Dr. Dehner	"Aye"
Mr. Mueller	"Aye"
Mr. Thompson	"Aye"

The motion was passed unanimously.

Public Forum:

Former Mayor Anthony Bommarito was in attendance, but offered no comment.

Mr. Jett began by updating the committee on Vendor Insurance Requirements and stated that the Insurance Committee revised the Professional Liability portion to state that all professional service

providers must have a minimum combined single Limit of Liability of \$1 million per occurrence and an aggregate liability limit of \$2 million. He also noted to the committee that the City increased the limits on the Employee Dishonesty and the Cyber Liability Insurance policies to \$1 million from \$250,000.

Mr. Jett and Mr. Maupin addressed the issue of possibly passing a ¼ cent Fire sales tax (General Fund) while lowering the Stormwater sales tax from ½ cent to ¼ cent, resulting in a ballot issue affecting a NO sales tax increase to the voters. Mr. Maupin stated the City cannot have a ballot issue that says one vote must pass before a second vote counts, but the City Council can vote to reduce the Stormwater tax without a public vote either before or after a public vote to enact a Fire sales tax. Mr. Jett then presented a Stormwater Fund projection with a 1/2 cent sales tax with no new grants which showed a fund balance of \$7.2 million by 2020 compared to the same with a ¼ cent sales tax which showed a fund balance of \$4.5 million by 2020. Mr. Jett then supplied the committee with the Missouri state statute which provides for a Fire sales tax and a list of other cities which have already passed a Fire sales tax.

Ms. Graham reviewed the audited financial statements for the year ended Dec. 31, 2012. She explained the purpose and scope of the audit and stated that Botz Deal is issuing a clean opinion with no deficiencies. She then reviewed the Management's Discussion and Analysis report which states that the net position of the City of Ladue grew 6% (\$2.2 million) in 2012 and has net assets of \$39 million, \$10 million of which is restricted. The General Fund recorded a surplus of \$1,173,319, Road and Bridge Fund recorded a surplus of \$424,566, Capital Improvement Fund recorded a surplus of \$156,358, and Storm Water Fund recorded a surplus of \$830,123. Mr. Mueller asked why capital assets total did not appear to tie to the balance sheet. Ms. Graham explained that it was net of capital lease debt. Chairman Schiele reminded the committee of the City's policy to keep a four month minimum reserve balance. Ms. Graham stated this was a good fiscal approach. Ms. Graham also reviewed the status of the City of Ladue Pension Plans. The City contributed \$200,550 to the Non-Uniform plan which ended 2012 with assets of \$3,732,857. The City contributed \$1,182,728 and employees contributed \$140,633 and the plan ended 2012 with assets of \$23,241,353. Mr. Mueller asked why there was a difference in plan assets (p.18 vs. p. 29). Ms. Graham explained that one table was market value and the other was actuarial value.

Chairman Schiele asked for a motion to adjourn and go into closed session pursuant to Section 610.021 (17) RSMO. Mr. Mueller made a motion which was seconded by Mr. Thompson and the vote thereupon was as follows:

Chairman Schiele	"Aye"
Dr. Dehner	"Aye"
Mr. Mueller	"Aye"
Mr. Thompson	"Aye"

The motion was passed unanimously. All parties other than committee members and Michelle Graham exited the meeting at 9:05 a.m.

Closed Session

Attendees: James E. Schiele, Chairman, Joseph Rechter, Dave Mueller, Jim Thompson, Jonathan Dehner MD, Mayor Nancy Spewak, Michelle Graham (Auditor) with Botz, Deal & Co. P.C.

Michelle raised no issues of concern regarding audit or city personnel..

Accounting record retention was discussed. Current records are kept at least 5 years. Off site storage was suggested. Most important is current payroll data

(Dave Mueller was excused prior to end of meeting).

Mr. Schiele and Mayor Spewak confirmed advantages of Finance committee vigilance.

Chairman Schiele asked for a motion to adjourn closed session pursuant to Section 610.021 (17) RSMO. Mr. Thompson made a motion which was seconded by Dr. Dehner and the vote thereupon was as follows:


Chairman Schiele	"Aye"
Dr. Dehner	"Aye"
Mr. Mueller	"Aye"
Mr. Thompson	"Aye"

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

Chairman Schiele	"Aye"
Dr. Dehner	"Aye"
Mr. Mueller	"Aye"
Mr. Thompson	"Aye"

Respectfully submitted,
Jonathan Dehner, MD
Secretary for the closed session

The next meeting dates were set for November 6th, 2013 and December 4, 2013 at 8:30 a.m.



James E. Schiele
Chairman