

**Minutes of Meeting  
City of Ladue  
Finance, Revenue, and Taxation Committee  
Thursday July 30<sup>th</sup>, 2020 8:00 A.M. (ZOOM)**

A meeting of the Finance, Revenue, and Taxation Committee for the City of Ladue was held on Thursday July 30<sup>th</sup> at 8:00 a.m. via Zoom. The following members were present:

Chairman Joseph Gazzoli	
Mr. Maurice Quiroga	
Mr. David Ryan	
Mr. Jim Schiele	
Mr. Joseph Rechter	Ex-Officio
Mayor Nancy Spewak	Ex-Officio

Also present were Council Members John Fox and Stacey Kamps and Mr. Sam Zes, Finance Director. Committee member James Thompson was absent.

The meeting was called to order by Chairman Gazzoli at 8:05 a.m.

**Approval of the Agenda:**

Mr. Quiroga moved approval and adoption of the agenda; seconded by Mr. Ryan which motion passed unanimously.

**Approval of the Minutes:**

Mr. Quiroga moved approval of the minutes from the May 28<sup>th</sup>, 2020 meeting, seconded by Mr. Gazzoli which motion passed unanimously.

**Public Forum:** Dr. Jonathan Dehner, however no comment was offered.

Mr. Zes discussed the 2020 Second Quarter Financial report for the City. He explained that this information supplements the regular quarter ending financial statements provided for the period ending June 30, 2020. Revenues have been slowly declining in the 2<sup>nd</sup> quarter and are expected to continue to decline for the remainder of the year. Sales tax revenue, ambulance service fees and investment income will likely be the most impacted by COVID-19. Department heads have continued to delay or eliminate all non-essential purchases.

The City's overall revenues across all major funds are .66% higher compared to the year to date budget. Combined major fund expenditures are lower compared to the year to date budget with a positive variance of 34.64%. Current expense variances are primarily related to payroll expenses, the delay of major capital expenditures and timing of projects in the Road and Bridge and Storm Water funds.

Total General Fund revenues are .45% higher than the YTD budget and are expected to decrease throughout the year. Water, electric and telephone utility tax revenues are a combined 26.82% lower than the YTD budget which is slightly offset with the increase in gas utility tax which is 28.38% higher than the YTD budget. Other notable variances are Building Permits which are \$56,357 higher than the YTD budget and Sales Tax which is \$191,635 higher than YTD budget. However, due to the lag in sales tax reporting, this does not represent the declining trend in sales tax revenue we are currently experiencing. General Fund YTD expenditures are 9.68% lower than the YTD budget with most notable differences being in Overtime, Salaries, Medical Insurance, Legal Fees and Retainers, Property and Liability Insurance, Travel expenses, and Post-Secondary Education.

Chairman Gazzoli inquired about the number of vacancies in the Clayton Road Business District. Mayor Spewak stated she has discussed this recently with several property owners and due to the pandemic, there is no interest in renting space or opening new businesses. Mr. Zes added that grocery sales are leveling off and restaurants are only open until 8:00 p.m. with 25% capacity. Mayor Spewak stated these concerns will be addressed by the Economic Development Committee. Mr. Rechter asked if the Ladue Comprehensive Plan project is impacting the City finances. Mayor Spewak stated no expenses related to the comp plan will be incurred without approved budgeted funding or outside source funding. Chairman Gazzoli asked Mr. Zes to update the long-range forecast with worst case scenario and advise the committee when the property tax is needed. He then asked if the Mayor has instituted a hiring freeze. Mayor Spewak replied that no, the City is currently filling vacancies to maintain the expected level of service to its citizens.

Mr. Rechter asked for insight on the Use Tax issue on the April ballot. Mayor Spewak stated this loss was very disappointing, but due to the pandemic, normal campaigning by citizens in support of the tax was not possible. She also stated before the City can ask the citizens for a property tax increase there will be an effort to educate residents on the finances of the City. Mr. Zes stated that its been over 20 years since the City had an increase and at this time an increase of \$.30 is suggested. Mayor Spewak asked Mr. Zes to provide several projections to help the committee understand the actual dollar impact on households in the City. Mr. Rechter suggested the City consider the Ladue School District's plans when deciding on when to put this issue on the ballot and also to make very clear the City and the School District are completely separate entities. The Mayor and Committee agreed.

The next meeting date was set for Wednesday October 28<sup>th</sup>, 2020 at 8:00 a.m. via Zoom.

Mr. Schiele moved adjournment; seconded by Mr. Quiroga, which motion passed unanimously. The meeting adjourned at 9:15 a.m.

Joseph Gazzoli  
Chairman