

**Minutes of Meeting
City of Ladue
Finance, Revenue, and Taxation Committee
Wednesday December 7th, 2022 8:00 A.M.**

A meeting of the Finance, Revenue, and Taxation Committee for the City of Ladue was held on Wednesday December 7th, 2022 at 8:00 a.m. The following members were present:

Chairman Joseph Gazzoli
Ms. Lisa Guirl
Mr. Maurice Quiroga
Mr. David Wells
Mayor Nancy Spewak Ex-Officio

Also present were; Mr. Scott Kroenung, Finance Director and Shelly Benson, Finance and HR Specialist. Committee Member Jim Schiele, David Ryan and Joseph Rechter were absent.

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

Approval of the Agenda:

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

Public Forum: None

Mr. Kroenung discussed updates to the Projected Fund balances for year ending 2022 and 2023. General Fund: Projected fund balance at 12/31/2022 is \$10,341,368; projected revenues and interfund transfers for 2023 are \$15,396,188 while projected expenses are \$15,648,225, which creates a \$252,037 deficit in the 2023 budget and projected fund balance at 12/31/2023 of \$10,089,332. These changes are due to revenue fluctuations in sales tax and a revised salary structure in the Police department in order to more closely align with comparable cities.

Road and Bridge Fund: Projected fund balance at 12/31/2022 is \$1,213,335; projected revenues and interfund transfers for 2023 are \$1,247,613 while projected expenses are \$2,202,509, which creates a \$955,370 deficit in the 2023 budget and projected fund balance at 12/31/2023 of \$257,965.

Capital Improvement Fund: Projected fund balance at 12/31/2022 is \$760,994; projected revenues and interfund transfers for 2023 are \$1,404,456 while projected expenses are \$1,945,687, which creates a \$541,231 deficit in the 2023 budget and projected fund balance at 12/31/2023 of \$219,763.

Storm Water Fund: Projected fund balance at 12/31/2022 is \$7,660,499; projected revenues and interfund transfers for 2023 are \$2,185,285 while projected expenses are \$4,262,461, which creates a \$2,077,176 deficit in the 2023 budget and projected fund balance at 12/31/2023 of \$5,583,323.

Public Safety Fund: Projected fund balance at 12/31/2022 is \$607,935; projected revenues and interfund transfers for 2023 are \$65,377 while projected expenses are \$0, which creates a \$65,377 surplus in the 2023 budget and projected fund balance at 12/31/2023 of \$673,312.

Fund Totals: Projected balance at 12/31/2022 is \$22,253,106; projected revenues and interfund transfers for 2023 are \$20,280,262 while projected expenses are \$24,040,355, which creates a \$3,760,092 deficit in the 2023 budget and projected fund balance at 12/31/2023 of \$18,493,013.

The Committee noted that while the proposed 2023 General Fund Budget projected deficit of \$250,000 can be easily supported by the Fund's current reserves, it is realized that budgeting revenue growth of approximately 1% versus expense growth of approximately 5% is not a formula that can be sustained over the long term. The Committee also noted that the budgeted reduction in fund reserves in the Road and Bridge Fund and the Capital Improvement Fund raise similar long term concerns. It is the advice of the Committee that the Council and the Mayor promptly initiate efforts to identify additional future sources of revenues for the City, as well as opportunities to constrain future growth in expenses needed to maintain current service levels.

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

Joseph Gazzoli
Chairman