

# **BUDGET PROCESS**

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## **Budget as Operating Plan**

The budget for the City is an Annual Operating Plan serving as the guidebook for the fiscal year. It sets policy, identifies new initiatives and allocates the resources necessary to maintain City services and meet the objectives of the fiscal year. The fiscal year for the City of St. Louis runs from July 1 to June 30. In accordance with state law, the budget must be balanced when adopted.

## **Budget Basis**

The General Fund and most special fund budgets are formulated on a modified accrual basis. Encumbrances, including outstanding purchase orders, are budgeted as expenses but revenues are recognized only when they are actually received. Enterprise fund appropriations including the Airport and Water Divisions are budgeted on a cash basis. Both expenditures and revenues are recognized when actually paid or received. The City's Comprehensive Annual Financial Report (CAFR) accounts for the City's finances according to generally accepted accounting principles (GAAP). This method differs from the budget basis primarily in that revenues are recognized when they are measurable and available as opposed to actually received and expenditures are recognized when the obligation is incurred rather than paid or encumbered. For this reason, the CAFR also contains financial statements expressed on a "budget" basis so that end-of-year results can be compared with the budget.

## **The Budget Process**

- The budget process begins in the fall when the Budget Division issues a request for departmental revenue estimates. The information submitted by the departments will be incorporated into the Budget Division's initial revenue estimate for the coming fiscal year.
- At the same time the department heads are asked to identify any new initiatives or programs so that they may be included in the budget planning process.
- In January, having arrived at a preliminary revenue estimate for the coming fiscal year and incorporating any new initiatives or areas that will experience an increase in costs, the Budget Division issues budget allocations to departments.
- Departments respond by submitting their budget requests and service level information to the Budget Division.
- In February, the Budget Division holds budget meetings with the departments and the administration to discuss budget requests and, where necessary, reconcile discrepancies between allocations and requests.

## **BUDGET PROCESS**

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- Revenue estimates are continually updated throughout this period. In March, departmental budget proposals are adjusted to reflect the latest revenue projections.
- In April, the Budget Division prepares the budget document and submits its proposed budget to the Board of Estimate and Apportionment (E&A), comprised of the Mayor, the Comptroller and the President of the Board of Aldermen. The Board of E&A reviews the proposed budget, holds hearings with departments and conducts a public hearing at which citizens may voice their concerns. Following the hearings, the Board of E&A may recommend changes to the proposed budget.

### **Next Steps - Charter Requirements**

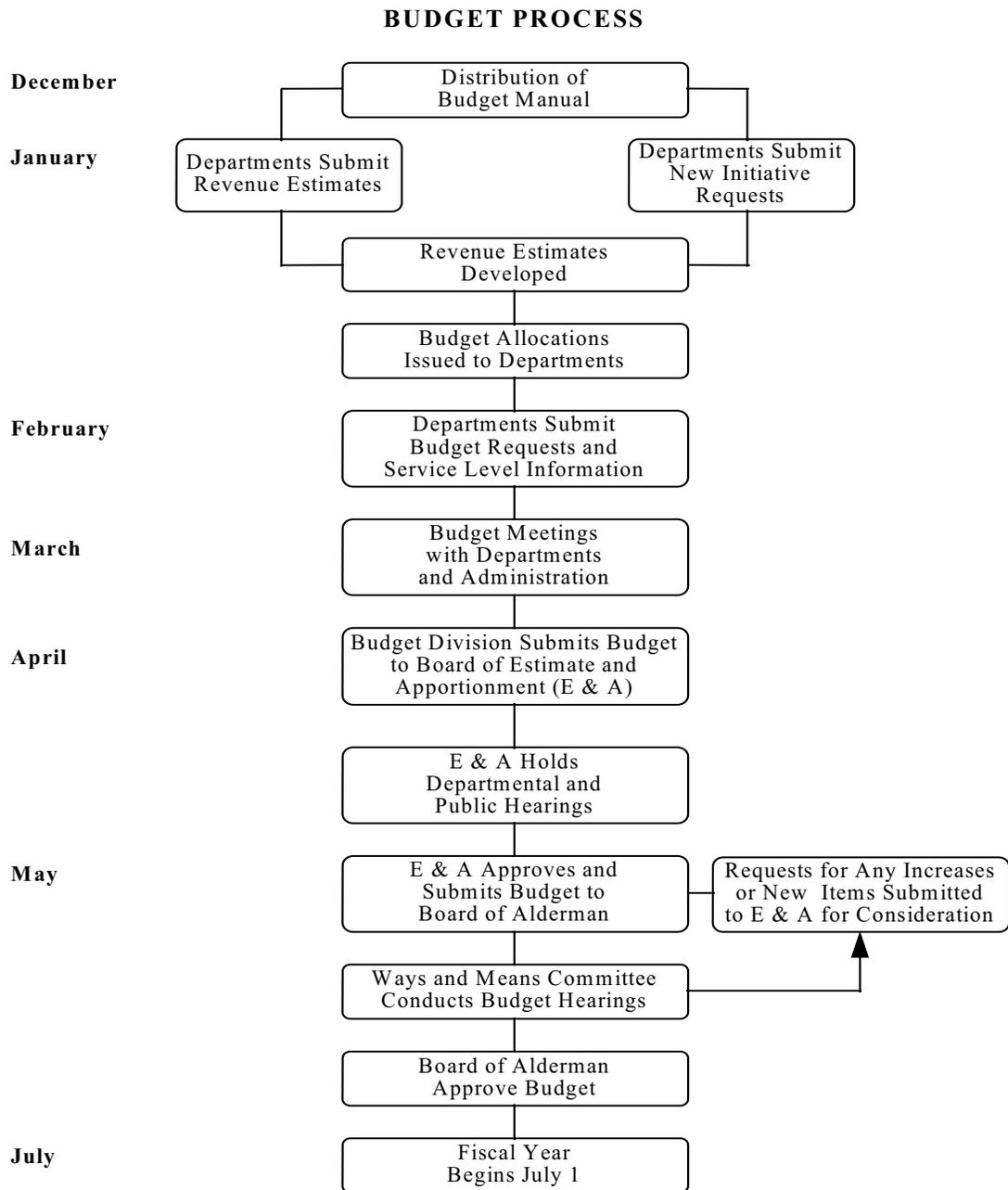
- The Board of E&A must submit its proposed budget to the Board of Aldermen not less than 60 days prior to the beginning of the fiscal year, or May 1.
- During May and June, the Ways and Means Committee of the Board of Aldermen conducts public hearings on each segment of the proposed budget prior to taking any action. The proposed budget is reviewed and then considered by the Board of Aldermen.
- The Board of Aldermen may reduce the amount of any item in a budget bill, except amounts fixed by statute or ordinance obligations. The Board of Aldermen may not increase any appropriation amount nor insert new items unless specifically approved by the Board of E&A. (As a general rule, should increases for particular items be desired, the Ways and Means committee will submit a list of items for the Board of E&A to consider, with which it may or may not agree.)
- If the Board of E&A does not submit its proposed budget to the Board of Aldermen by May 1, the Budget Director would be required to submit a budget directly to the Board of Aldermen.
- If the Board of Aldermen does not approve a budget by the beginning of the fiscal year, the proposed budget by the Board of E&A or, in its absence, the submission by the Budget Director, shall be deemed to have been approved by the Board of Aldermen.

### **Budget / Operating Plan Administration**

- As needs arise during the fiscal year, limited transfers within or among departments or funds may occur with approval of the Board of Estimate and Apportionment. Any accruing or unappropriated City revenue may be appropriated by ordinance recommended by the Board of E&A and passed by the Board of Aldermen.

# BUDGET PROCESS

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## **FINANCIAL AND BUDGETARY POLICIES**

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The budget document for the City is an Annual Operating Plan serving as the guidebook for the fiscal year. It sets policy, identifies new initiatives and allocates the resources necessary to maintain City services and meet the objectives of the fiscal year.

A summary of the new initiatives and how the budget allocates this year's resources is described in the Executive Summary section of the budget document. Financial and budgetary policies as well as a draft vision statement and summary of program missions are outlined on the following pages.

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### **BUDGET PREPARATION AND ADMINISTRATION**

- 1) Annual budgets will be developed for the general and special funds by the Budget Division for review by the Board of Estimate and Apportionment.
- 2) A five-year expense and revenue projection will be developed for the general fund and the capital improvements fund to match revenue capacity with expenditure needs as a planning and decision tool.
- 3) Appropriations will be based on reasonable estimates of revenue.
- 4) Revenues and expenditures will be accounted for on a modified accrual basis for budgetary services.
- 5) The City will prepare a Comprehensive Annual Financial Report which it believes will meet all of the guidelines necessary to receive the Certificate for Excellence in Financial Reporting from the Government Finance Officers Association.
- 6) Annual budget appropriations will be made in a timely manner. In accordance with the City Charter, the Board of Estimate and Apportionment shall submit a balanced budget proposal to the Board of Aldermen at least sixty days before the beginning of the new fiscal year.

## **FINANCIAL AND BUDGETARY POLICIES**

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### **GENERAL FUND BUDGET**

- 1) Revenue estimates will be developed for the ensuing fiscal year by the Budget Division, with independent review and commentary provided by the staff of the City Comptroller.
- 2) A revenue manual will be developed and updated annually with information concerning the assumptions underlying the revenue projections.
- 3) The City will maintain the unreserved portion of the general Fund Balance at a minimum of 5% of the total General Fund Budget.
- 4) The general fund budget for ongoing operations will be developed to match recurring revenues.
- 5) Revenues will be monitored monthly with official review and updates provided to the Board of Estimate and Apportionment on a quarterly basis.
- 6) Apparent shortfalls in revenue will be analyzed for their impact on future years.
- 7) Expenditures will be monitored monthly and apparent overspending will be handled on a departmental basis.
- 8) Known cyclical costs such as the 27th pay, which occurs every eleven years, will be funded at an appropriate amount in each budget.
- 9) Appropriations will be made annually to cover the expenses of the self-insurance fund.
- 10) Each request for a new program must be accompanied by an analysis that shows the long term impact of the program on existing revenue sources and on existing programs.

# **FINANCIAL AND BUDGETARY POLICIES**

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## **CAPITAL IMPROVEMENTS**

- 1) The City shall prepare a five-year Capital Improvements Plan and a Capital Budget annually, in accordance with its Policy and Procedures manual.
- 2) The five-year Capital Improvements Plan shall identify sources of funding.
- 3) For major capital projects, an analysis should accompany the proposed projects with information on expected annual operating costs, projected revenue benefits (if any) and other indirect costs or benefits to the City.
- 4) The City shall fund capital projects with resources made available to the Capital Fund including, but not limited to, the proceeds from the 1/2 cent sales tax.

## **CITY DEBT**

- 1) Bonding should be used to finance / refinance only those long-term assets or projects that benefit a significant portion of citizens in the City and for which repayment sources have been identified.
- 2) The scheduled maturity of bond issues shall not exceed the expected useful life of the capital project or asset financed.
- 3) For property tax supported bonds, the Comptroller will strive for a debt service reserve in an amount not less than the succeeding year principal and interest requirements. Reserve requirements for other bonds will be set forth in respective bond covenants.
- 4) Long term debt shall be structured with prepayment options, except when alternative structures are more advantageous to the City. The City will consider prepayments when available resources are identified.
- 5) Bond refunding shall be considered if one or more following conditions exist:
  - A) present value savings of 3% of par value of the refunding bonds
  - B) bond covenants are restrictive or outdated
  - C) restructuring debt is deemed desirable; desire to keep debt payments level from year to year, opportunity to release excess debt service reserves etc.
- 6) Bond insurance shall be considered when present value of debt service savings is equal to or greater than the insurance premium.
- 7) The City will take all steps necessary to maintain its credit rating on outstanding debt and comply with bond covenants.
- 8) The Comptroller will select underwriters and bond counsel from a pre-qualified list to be revised at least every two years.

## **CITY VISION AND PROGRAM MISSIONS**

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The City of St. Louis is a city of safe neighborhoods, attractive parks and recreation, affordable housing, desirable neighborhoods, good schools and efficient transportation and utilities. The City is a home to citizens of good health and well being, a vibrant and diverse economy and an effective and efficient

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### **SAFE NEIGHBORHOODS**

- 1) Pursue a community oriented policing strategy that protects the public from the occurrence of crime and increases public safety both in perception and reality.
- 2) Ensure the administration of justice through a fair and efficient judicial system.
- 3) Prepare the City's government, emergency responders, private agencies and citizens to prevent, respond to and recover from disasters and other emergency events.
- 4) Operate a community-based Fire Department that improves the quality of life in and around the City by protecting life, health, property, commerce and the environment.
- 5) Enforce the building codes and ordinances of the City honestly, fairly and efficiently.
- 6) Protect the safety of the public and preserve neighborhoods through the removal of structurally unsound and derelict buildings.
- 7) Protect the safety of the public through professional management of adult detention facilities and the delivery of comprehensive correctional and rehabilitative services.

### **ATTRACTIVE PARKS AND RECREATION**

- 1) Provide a full range of recreational and educational activities to City residents, particularly City youth, through recreation centers, recreation outposts and summer day camps.
- 2) Ensure the attractiveness, safety and quality of parks and neighborhoods through the maintenance and care of the urban forest.
- 3) Provide safe, attractive and accessible parks and open spaces within the confines of a densely populated urban center conducive to a variety of active and passive recreational opportunities.

## **CITY VISION AND PROGRAM MISSIONS**

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### **AFFORDABLE HOUSING AND DESIRABLE NEIGHBORHOODS**

- 1) Promote neighborhood preservation through building, environmental, health and nuisance laws.
- 2) Promote City living and neighborhood stabilization through the preservation of affordable and accessible housing and support services that enhance the quality of life for those in need.
- 3) Promote neighborhood preservation and enhanced quality of life through an aggressive program of weed and debris removal.
- 4) Remove derelict vehicles that are in violation of City ordinances.
- 5) Provide City residents with courteous and efficient collection and disposal of solid waste in an environmentally safe manner.
- 6) Promote conservation of housing stock via a comprehensive inspection program to enforce all applicable building codes.
- 7) Work with citizens and government to improve and sustain a quality environment in City neighborhoods through problem solving, addressing public safety needs and other issues related to the delivery of City services.

### **EFFICIENT TRANSPORTATION AND UTILITIES**

- 1) Efficiently provide a plentiful supply of the highest quality drinking water to City residents, businesses and other valued customers.
- 2) Provide an airport (Lambert-St. Louis International Airport) known for superior safety, operational efficiency and service to customers and one that meets both current and future air travel needs of the St. Louis metropolitan area.
- 3) Oversee and evaluate public right-of-way conditions for streets, sidewalks and ramps and provide for efficient repair and maintenance programs.
- 4) Manage the City's street signage. Signals and lighting in a manner that efficiently and effectively moves traffic through the City.
- 5) Provide City commuters with safe, clean, and well-maintained streets, alleys and bridges in a cost effective manner.
- 6) Provide an efficient and well-maintained infrastructure for intermodal shipping through the City's port district.

## **CITY VISION AND PROGRAM MISSIONS**

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### **CITIZENRY OF GOOD HEALTH AND WELL BEING**

- 1) Develop and maintain a world class EMS system to provide the best possible pre-hospital emergency medical care.
- 2) Provide the City with significant, proactive lead poisoning prevention services through inspection, abatement and clinical efforts.
- 3) Help City residents live longer, healthier and happier lives through health promotion and disease prevention efforts.
- 4) Protect the public from biting incidents, animal nuisances and the potential for the spread of disease through the enforcement of animal related ordinances.
- 5) Protect the public from insect and rodent borne disease through efficient prevention and treatment efforts.
- 6) Promote clean air through air monitoring and emissions inspection efforts.
- 7) Inspect food establishments, producers and retail outlets to prevent food borne illness and ensure that foods produced and distributed in the City are safe and wholesome.
- 8) Enhance the quality of life of citizens through the provision of social service programs to the aged, homeless, veterans, disabled, youth and families in need.

### **VIBRANT AND DIVERSE ECONOMY**

- 1) Provide leadership and promote collaboration among public and private partners to develop a quality workforce that meets the economic and labor market needs of the St. Louis metropolitan area.
- 2) Enhance quality of life and economic vitality of the City through preparation of citywide neighborhood plans, preservation of cultural resources and provision of research graphics and design standard capabilities.
- 3) Promote neighborhood growth and or stabilization through federal funds administered by the U.S. Department of Housing and Urban Development (HUD).
- 4) Promote economic vitality through continued maintenance and preservation of the City's convention and sports related venues.
- 5) Promote a favorable environment for economic development through a judicious use of TIFs and other economic incentives.

## **CITY VISION AND PROGRAM MISSIONS**

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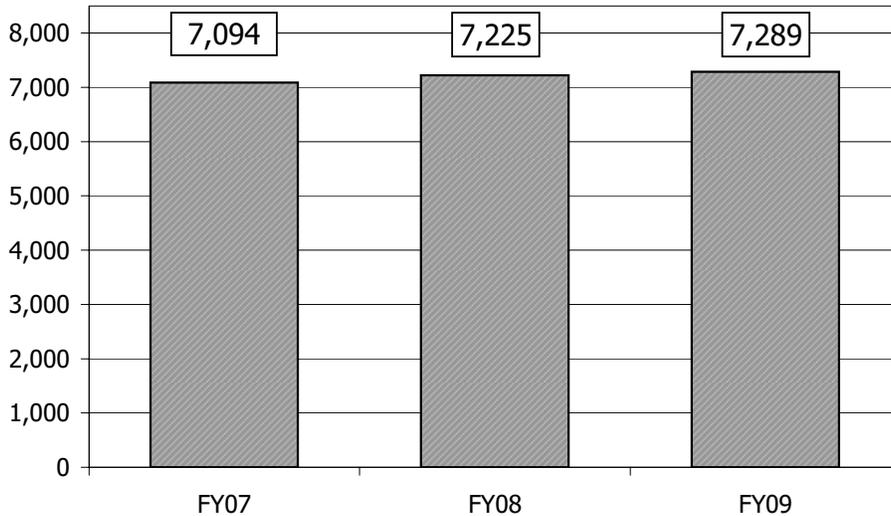
### **EFFICIENT AND EFFECTIVE GOVERNMENT**

- 1) Provide a well-qualified, diverse City workforce utilizing progressive human resource programs based on merit and equal employment opportunity principles.
- 2) Utilize Information Technology to enhance the efficiency and effectiveness of City services.
- 3) Ensure effective legal representation of City departments and agencies.
- 4) Ensure the effective monitoring of the City's fiscal affairs through a modern and efficient accounting, payroll and auditing system.
- 5) Ensure a continuous and uninterrupted supply of materials, goods, services and equipment to support City departments and agencies.
- 6) Provide for an effective and efficient system for assessing and collecting City revenues.
- 7) Promote Citywide voter registration and ensure fair and well run public elections.
- 8) Effectively register and route City service requests in an efficient and customer friendly way and provide City departments with statistics as needed.
- 9) Ensure an equitable public contracting and procurement environment within City government in which ready, willing and able Minority / Women / Disadvantaged Business Enterprises are able to participate.
- 10) Provide for a well maintained public infrastructure.
- 11) Provide safe, comfortable, clean and well maintained City-owned facilities.
- 12) Ensure the service capabilities of City departments by repairing and maintaining an effective and efficient rolling stock and equipment fleet.

## PERSONNEL SUMMARY

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### PERSONNEL TOTALS FY07 - FY09



### Personnel Trends FY07 - FY09

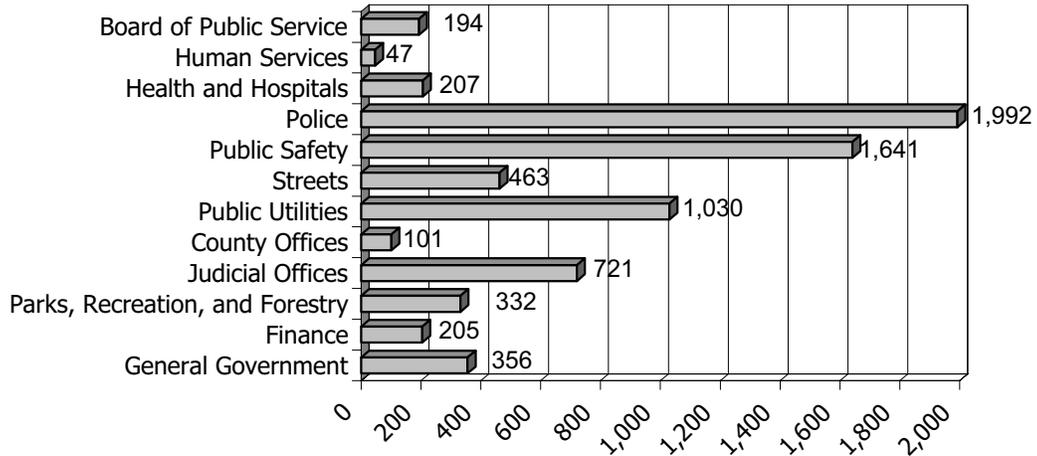
The total number of budgeted positions for all funds in FY09 will increase a net total of 64 positions over the previous fiscal year. The General Fund will realize a net increase of 47 positions. Most of this increase in positions is contained in the Police Department, where supplemented by special public safety funds, the SLPD is projected to end FY09 with an estimated 1,400 uniformed officers, an increase of 52 over the previous year. Scattered reductions in vacant general fund positions have also been implemented across City departments and account for the remainder of the difference in general fund position totals.

In the special funds category, the Building Division will be adding 11 building inspector positions as the Housing Conservation District program is scheduled to expand citywide. Other minor increases in special funds are scattered across various departments

In the enterprise funds, neither Lambert International Airport nor the City's Water Division are anticipating any changes in staffing totals in the next fiscal year.

## PERSONNEL SUMMARY

### FY09 Personnel Totals by Department All Funds

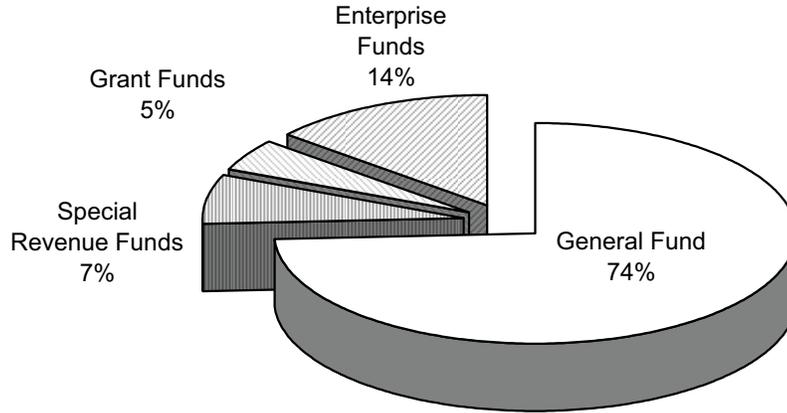


### Authorized Full-Time Personnel Totals - By Department All Funds

Department	FY07	FY08	FY09
General Government	343.00	361.00	356.00
Finance	195.00	201.04	205.00
Parks, Recreation, and Forestry	328.00	335.00	332.00
Judicial Offices	704.90	717.00	721.00
County Offices	99.00	99.00	101.00
Public Utilities	1,031.00	1,030.00	1,030.00
Streets	452.00	458.00	463.00
Public Safety	1,584.00	1,634.00	1,641.00
Police	1,919.00	1,938.00	1,992.00
Health and Hospitals	197.50	211.00	207.00
Human Services	44.00	47.00	47.00
Board of Public Service	193.00	194.00	194.00
<b>Totals</b>	<b>7,090.40</b>	<b>7,225.04</b>	<b>7,289.00</b>

# PERSONNEL SUMMARY

## FY09 Personnel by Fund



## Authorized Full-Time Personnel Totals - By Fund

Fund	FY07	FY08	FY09
<b>General Fund</b>	5,287.28	5,341.16	5,388.63
<b>Special Revenue and Other Funds</b>			
Local Use Tax Funds	195.00	195.90	206.40
Assessment Fund	71.00	71.00	71.00
Communications Fund	19.00	19.00	18.00
Lateral Sewer Fund	16.53	16.78	18.26
1116-9 Special Funds	103.00	143.00	150.00
Surface Transportation Projects Fund	1.00	1.00	1.00
Street Improvements Fund	39.00	39.00	40.00
Tax Increment Financing Fund	5.80	6.40	6.85
Mail Center - Special Fund	7.27	7.27	7.27
Employees Health and Hospital Fund	9.15	9.15	9.15
Public Safety Trust Fund	0.00	12.00	12.00
<b>Grant Funds</b>			
SLATE	30.00	40.80	42.00
Community Development Block Grant	112.05	78.82	75.65
Other Grant Funds	186.82	223.26	222.29
<b>Enterprise Funds</b>			
Water Division	383.00	379.00	379.00
Airport	641.50	641.50	641.50
<b>Totals</b>	<b>7,107.40</b>	<b>7,225.04</b>	<b>7,289.00</b>

## PERSONNEL SUMMARY

Department (All Funds)	FY07	FY08	FY09
<b>General Government</b>			
110 Board of Aldermen	45.00	45.00	45.00
120 Mayor's Office	23.00	23.00	24.00
121 St. Louis Agency on Training and Employment	34.00	44.00	45.00
123 Personnel	51.00	52.00	53.00
124 Register	3.00	3.00	3.00
126 Civil Rights Enforcement Agency	6.00	7.00	7.00
127 Information Technology Service Agency	44.00	44.00	43.00
137 Budget Division	7.00	7.00	6.00
139 City Counselor	64.00	66.00	62.00
141 Planning and Urban Design	19.00	22.00	20.00
142 Community Development Administration	43.00	44.00	44.00
143 Affordable Housing Commission	4.00	4.00	4.00
<b>Total General Government</b>	<b>343.00</b>	<b>361.00</b>	<b>356.00</b>
<b>Finance</b>			
160 Comptroller	82.00	89.04	93.00
162 Municipal Garage	7.00	7.00	7.00
163 Microfilm	7.00	7.00	7.00
170 Supply Commissioner	9.73	9.73	9.73
171 Multigraph	11.00	10.00	10.00
172 Mail Room	7.27	7.27	7.27
180 Assessor	71.00	71.00	71.00
<b>Total Finance</b>	<b>195.00</b>	<b>201.04</b>	<b>205.00</b>
<b>Parks, Recreation and Forestry</b>			
210 Director, Parks, Recreation, and Forestry	4.00	6.00	6.00
213 Recreation	26.00	26.00	26.00
214 Forestry	122.00	123.00	121.00
220 Parks	172.00	176.00	175.00
225 Soulard Market	4.00	4.00	4.00
<b>Total Parks, Recreation and Forestry</b>	<b>328.00</b>	<b>335.00</b>	<b>332.00</b>
<b>Circuit Clerk and Court En Banc</b>			
310 Circuit Clerk	1.00	1.00	1.00
311 Circuit Court	73.00	72.00	73.00
313 Board of Jury Supervisors	10.00	10.00	10.00
314 Probate Court	0.00	0.00	0.00
320 Probation and Juvenile Detention Center	238.90	244.00	240.00
<b>Total Circuit Clerk and Court En Banc</b>	<b>322.90</b>	<b>327.00</b>	<b>324.00</b>

## PERSONNEL SUMMARY

<b>Department (All Funds)</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
<b>Other Judicial Offices</b>			
312 Circuit Attorney	142.00	148.00	152.00
315 Sheriff	180.00	180.00	183.00
316 City Courts	34.00	36.00	36.00
317 City Marshal	26.00	26.00	26.00
<b>Total Other Judicial Offices</b>	<b>382.00</b>	<b>390.00</b>	<b>397.00</b>
<b>County Offices</b>			
330 Tax Equalization Board	0.00	0.00	0.00
333 Recorder of Deeds	45.00	45.00	47.00
334 Election and Registration	32.00	32.00	32.00
335 Medical Examiner	12.00	12.00	12.00
340 Treasurer	10.00	10.00	10.00
<b>Total County Offices</b>	<b>99.00</b>	<b>99.00</b>	<b>101.00</b>
<b>Public Utilities</b>			
401 Communications Division	17.00	17.00	16.00
415 Water Division	380.00	376.00	376.00
420 Airport Commission	634.00	637.00	638.00
<b>Total Public Utilities</b>	<b>1,031.00</b>	<b>1,030.00</b>	<b>1,030.00</b>
<b>Streets</b>			
510 Director of Streets	39.00	25.00	26.00
511 Traffic and Lighting	83.00	87.00	88.00
513 Auto Towing	29.00	30.00	29.00
514 Street Division	138.00	151.00	154.00
516 Refuse	163.00	165.00	166.00
<b>Total Streets</b>	<b>452.00</b>	<b>458.00</b>	<b>463.00</b>
<b>Public Safety</b>			
610 Director, Public Safety	9.00	10.63	8.60
611 Fire Department	831.00	830.00	830.00
616 Excise Commissioner	6.00	6.00	6.00
620 Building Commissioner	229.00	232.00	242.00
622 Neighborhood Stabilization	41.00	39.37	41.40
625 City Emergency Management Agency	0.00	0.00	5.00
632 Corrections/ MSI	245.00	236.00	231.00
633 City Justice Center	223.00	280.00	277.00
<b>Total Public Safety</b>	<b>1,584.00</b>	<b>1,634.00</b>	<b>1,641.00</b>
<b>Police</b>			
650 Police	1,919.00	1,938.00	1,992.00
<b>Total Police Department</b>	<b>1,919.00</b>	<b>1,938.00</b>	<b>1,992.00</b>

## PERSONNEL SUMMARY

<b>Department (All Funds)</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
<b>Health and Hospitals</b>			
700 Director, Health and Hospitals	16.00	39.00	35.00
710 Health Commissioner	18.00	19.00	21.00
711 Communicable Disease Control	59.00	51.00	47.00
714 Animal Care and Control	21.00	29.00	27.00
715 Community Environmental Health Services	70.50	59.00	60.00
719 Family/ Community/ School Health	13.00	14.00	17.00
<b>Total Health and Hospitals</b>	<b>197.50</b>	<b>211.00</b>	<b>207.00</b>
<b>Human Services</b>			
800 Human Services	44.00	47.00	47.00
<b>Total Human Services</b>	<b>44.00</b>	<b>47.00</b>	<b>47.00</b>
<b>Board of Public Service</b>			
900 President, Board of Public Service	62.00	64.00	67.00
903 Facilities Management	48.00	47.00	45.00
910 Equipment Service Division	80.00	80.00	79.00
930 Soldiers' Memorial	3.00	3.00	3.00
<b>Total Board of Public Service</b>	<b>193.00</b>	<b>194.00</b>	<b>194.00</b>
<b>TOTALS</b>	<b>7,090.40</b>	<b>7,225.04</b>	<b>7,289.00</b>

## CITY DEBT

### General Discussion

The City of St. Louis is authorized to issue general obligation bonds payable from unlimited and ad valorem taxes to finance capital improvements upon a two-thirds majority vote of the qualified voters voting on the specific proposition. The Missouri Constitution provides that the amount of bonds payable out of tax receipts (which includes bonds payable from special assessments) shall not exceed 10% of the total assessed valuation of the taxable property of the City. The Constitution permits the City to become indebted for an additional 10% of the value of the taxable tangible property for the purpose of acquiring a right-of-way, constructing, extending and improving a sanitary or storm sewer system.

The City is also authorized to issue revenue bonds to finance capital improvements to its water system, sewer system, and airport facilities. These types of revenue bonds require a two-thirds vote of the qualified electorate voting on the specific proposition.

All revenue bonds issued by the City are payable solely out of the revenue derived from the operation of the facility that is financed from the proceeds of such bonds. Revenue bonds do not pledge the full faith and credit of the City in servicing the bonded indebtedness and such bonds are not considered in determining the legal debt margins resulting from the limitations described above.

The City is also authorized by statute to issue "Tax Increment Financing" obligations pertaining to development projects. In July, 1991, the City issued \$15,000,000 of Tax Increment Revenue Bonds for the St. Louis Marketplace project. Such obligations are secured by increments of revenues attributable to property and other taxes generated by improvements to the project area, and may also be secured by annual appropriations from the City's General Fund. As part of the St. Louis Marketplace financing, the City covenanted to request annual appropriations from the General Fund beginning in fiscal year 1993 to cover any shortfalls in the payments of debt service on these bonds until such time as the aforementioned incremental revenues are at least equal to 150% of the annual debt service payments on said bonds for five consecutive years. Shortfalls in Marketplace debt began in FY06 and are to continue in FY09 where the subsidy amounts are projected at \$0.7 million.

In 2007, the City issued \$16,961,000 of TIF bonds for the One City Centre Redevelopment Project. As in the Marketplace project, these bonds may also be secured by the City's general fund in addition to incremental revenues. No payments from the general fund are anticipated in FY09.

<b>Legal Debt Margin</b>		
as of April 30, 2008		
	City Purposes Basic Limit	Streets and Sewers Additional Limit
2007 Assessed Value:	4,557,182,166	4,557,182,166
<u>Debt Limit</u>		
10% of AV:	455,718,217	455,718,216
Less: General Obligation Bonds	50,874,742	0
Legal Debt Margin	<u>\$404,843,475</u>	<u>\$455,718,216</u>
<i>Note: Legal Debt Margin refers to only tax supported debt; other forms of debt including revenue bonds or lease debt do not fall under the constitutional limitation.</i>		
Source: Office of the Comptroller		

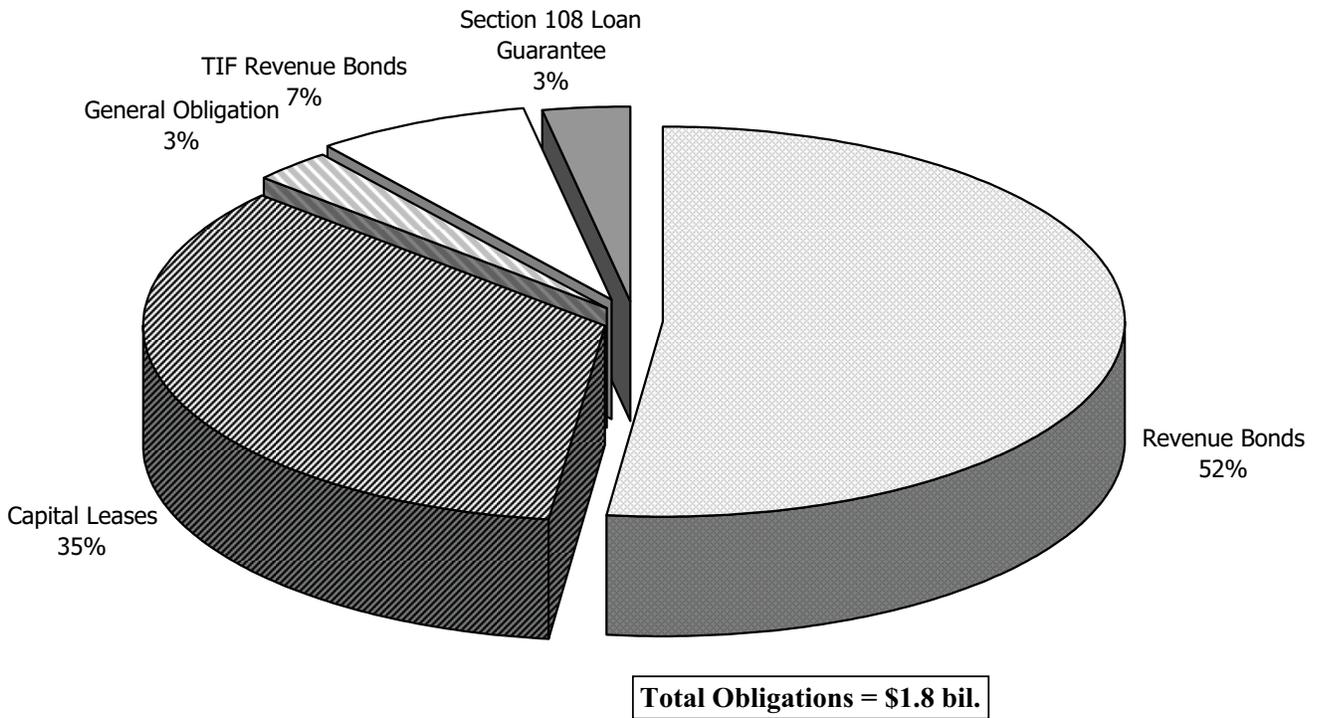
# CITY DEBT

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## Outstanding Debt and Lease Obligations

In addition to those financing mechanisms already discussed, the City uses capital leases as a means of financing major development and construction projects. The City's total outstanding debt and lease obligations at the end of April, 2008 are approximately \$1.8 billion. This total includes \$131.7 million in TIF revenue bonds, most of which are backed solely by project revenues. This amount also includes \$56.8 million in Section 108 (HUD) loan guarantees for the convention center hotel and Hope VI housing development projects. As illustrated below, 55% of the City's total debt is in the form of revenue bonds issued primarily by the Airport and to a lesser extent the Water and Parking Divisions.

TOTAL CITY DEBT AND LEASE OBLIGATIONS



Outstanding obligations as of 4/30/08 per Office of the Comptroller

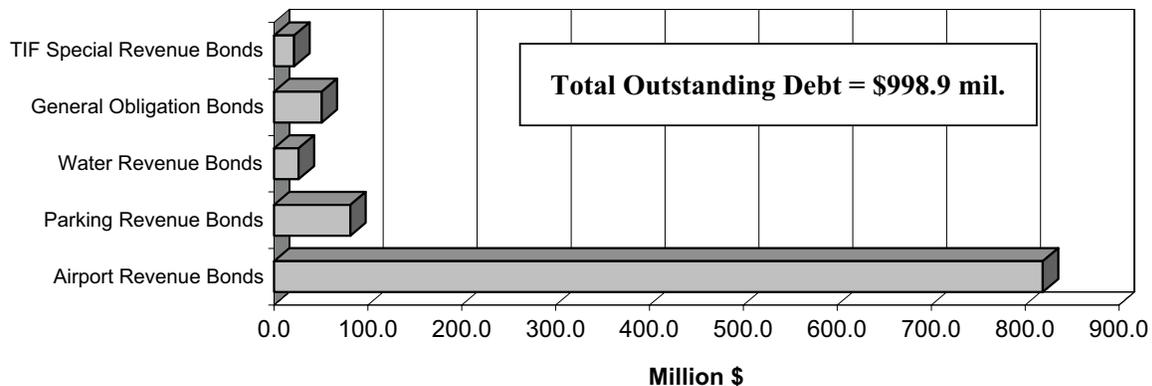
# CITY DEBT

## General Obligation and Revenue Bonds

Payments on general obligation debt are made from ad valorem property tax and license receipts. In 1999, the City issued \$65 million in general obligation bonds. With the bond proceeds, the City's Fire Department is replacing its existing fire fighting fleet and conducting renovations to its firehouses. The St. Louis Police Department has received funds to upgrade its crime lab and make improvements to its headquarters building on Clark Street. The bonds have also provided \$11 million for the demolition of abandoned and derelict buildings throughout the City. An additional \$13.0 million in G.O. debt was issued in 2006 to provide matching funds for road and bridge projects, floodwall improvements and public safety communications systems. Another debt instrument known as revenue bonds are limited obligations of the City payable solely from the revenues of the department or facility financed by the bonds. By far the largest component of debt in this or any other debt category are the revenue bonds related to the Airport expansion project.

<b>Bond Type</b>	<b>Amount Outstanding as of April 30, 2008</b>
General Obligation Bonds	\$50,874,742
Water Revenue Bonds	26,235,000
Parking Revenue Bonds	81,350,000
Airport Revenue Bonds	818,830,000
TIF Revenue Bonds (gen fund backed)	21,576,000
<b>Total</b>	<b>\$998,865,742</b>

### OUTSTANDING DEBT



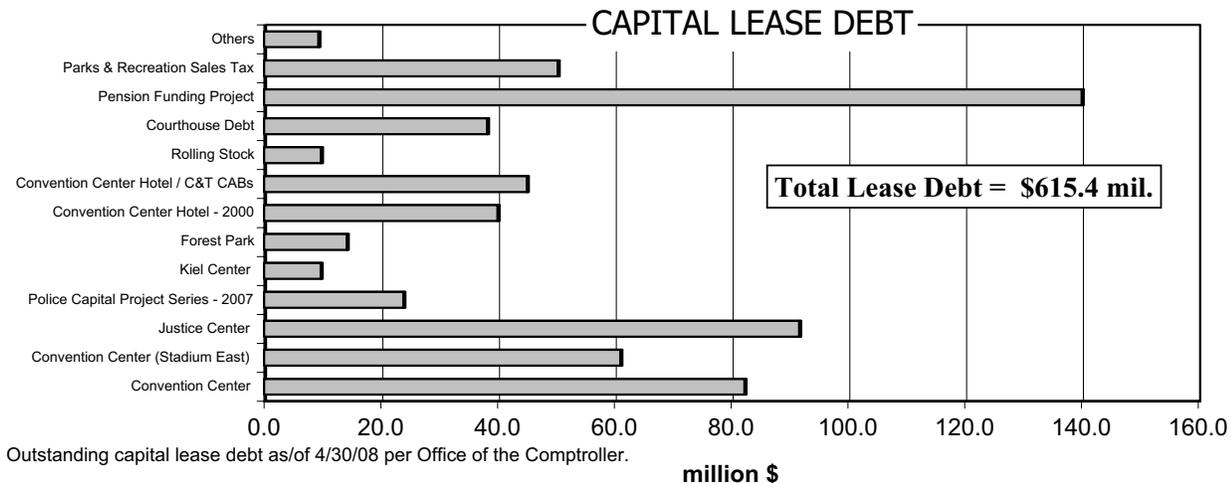
# CITY DEBT

## Capital Leases

The City has a number of outstanding lease-purchase agreements which can be characterized as capital leases. In capital lease financing, a non-profit authority issues debt to fund a project. This debt is secured by lease payments to the authority by a municipality leasing the project or equipment that is being financed. A list of the City's major existing agreements is presented below.

Description	Amt. Outstanding April 30, 2008	Remaining Term In Years	Issue Date
Civil Courts Building Project	14,500,000	5	Jun-94
Convention Center (East) <sup>1</sup>	61,028,864	14	Feb-97
Convention Center - 1993A	2,567,205	7	Jun-93
Convention Cntr Leasehold Refunding - 2003	79,720,000	7	Jun-93
Convention Center Hotel - 2000	40,000,000	12	Jul-00
Convention Center Hotel / C&T CABs	44,997,891	22	May-05
Kiel Center Refunding- A	5,960,000	13	Aug-97
Kiel Center Refunding -B	3,730,000	8	Aug-97
Police Capital Project Series - 2007	23,880,000	29	Dec-07
Justice Center - 1996B	13,365,000	5	Aug-96
Justice Center - 2000	1,980,000	3	Feb-00
Justice Center - 2001	61,190,000	13	Sep-01
Justice Center - 2005	15,125,000	12	Aug-05
Forest Park - 2004	14,185,000	14	Mar-97
Carnahan Courthouse	23,725,000	19	Apr-02
Parks & Recreation Sales Tax	50,300,000	29	Jul-07
Pension Funding Project - 2007	140,030,000	29	Sep-07
1520 Market (Abram) Building	3,825,767	10	Jun-07
Rolling Stock	9,774,929	11	Mar-00
MTFC Multimodal Direct Loan	4,500,000	10	Oct-07
MDNR Energy Efficiency Program	977,631	5	Jul-01
<b>Total</b>	<b>\$615,362,287</b>		

<sup>1</sup> Pertains to the lease financing by the City, County and State of Missouri of an east expansion of the Convention Convention Center. Includes \$1M per year in asset preservation funds to the Regional Convention and Sports Authority through the term of the bonds.



## CITY DEBT

### Capital Leases (continued)

While General Obligation debt is funded through property tax revenues and revenue debt is paid through the revenues of the project being financed, capital lease debt does not specifically have a dedicated revenue source for making lease payments. These payments are generally obligations of the City's General Fund. In as much as possible, the City has sought to lessen this burden on the general fund by pursuing new sources of revenue that may directly or indirectly be linked to the particular project being financed. The southern expansion of the convention center for instance, was accompanied by the successful propositions of a 1/2 cent restaurant tax and a hotel sales tax, with the idea that these two industries are the most likely beneficiaries of increased convention activity. The civil courts building improvement financing was followed by the imposition of a fee on court cases to help offset the cost of debt service. Likewise, the debt service on the new justice center is being funded in part by reimbursements the City receives from the state for holding prisoners charged with state criminal violations.

Police Department, Forest Park and Recreation leases are funded utilizing sales tax proceeds that are dedicated to those departments. In 2007, the City issued \$140M in pension bonds supported in part by a new 1/2 cent public safety sales tax approved by voters in February, 2008. Issues related to Recreation Center construction and Police Capital Improvements were also issued last year utilizing sales taxes dedicated for those purposes. Over half of the lease debt service requirements of \$59.0 million in FY09 are supported by direct and indirect sources of revenue. Below are debt service requirements for the ensuing fiscal year. From time to time when economically viable, refinancing of some of these issues may occur.

<b>Schedule of Lease Debt Payments</b>		<b>FY09</b>
Cervantes Convention Center - 1993 (refinanced)		15,363,000
Civil Courts Lease - 1994		2,744,000
Convention Center East / Stadium - 1997 <sup>1</sup>		6,000,000
CCC Energy Lighting Debt		388,000
Pension Funding Project (2007 & 2008 pending)		11,802,000
Forest Park Lease - 1997		1,372,000
Parks & Recreation Lease - 2007		3,236,000
Justice Center Lease		11,127,000
Kiel Center - 1997		983,000
Police Capital Improvements - 2007		1,306,000
Rolling Stock Lease / ITSA 2000-06 (2008 pending)		1,849,000
Carnahan Courthouse -2006		974,000
911 System Upgrades		239,000
1520 Market (Abram) Building		491,000
Multimodal Station		568,000
MDNR Loan - 2001		528,000
<b>Total</b>		<b><u>\$58,970,000</u></b>

<sup>1</sup> includes asset preservation payment

## CITY DEBT

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### Tax Increment Financing Projects

Tax Increment Financing (TIF) is a funding mechanism used to support financing of development projects. In a TIF financing, bonds are issued to finance infrastructure and other improvements related to a development project. A portion of the incremental tax revenues resulting from the development are then dedicated to service the debt. In most instances, the debt remains an obligation of the developer and debt service is dependent solely on the incremental taxes to be generated by the project. The City's first TIF project known as St. Louis Marketplace and a more recent project for One City Centre are unique in that City general revenue is to be made available should there be any shortfall in project revenue. So, while the outstanding debt table listed earlier includes all outstanding TIF debt, only the Marketplace debt and One City Centre debt remain a potential obligation of the City. Listed below are outstanding debt totals as of the end of FY08 for those TIF projects that have issued debt.

<u>TIF Project</u>	<u>Debt Outstanding</u>	<u>TIF Project</u>	<u>Debt Outstanding</u>
Marketplace #1	\$4,615,000	410 N. Jefferson #44	1,680,000
Cupples #3	1,580,000	Gaslight Square East #49	1,691,000
Chouteau Compton #6	2,236,207	1136 Washington #50	3,525,000
Edison Brothers #8	4,284,000	Washington East Condo #51	5,343,000
100 N. Condo #10	207,451	Loughborough Commons #57	18,430,000
Emerging Technologies #11	599,000	2300 Locust #62	1,768,000
3800 Park #12	382,703	Pet Building #63	2,361,500
Gravois Plaza #13	4,049,000	Moon Brothers Carriage #65	1,490,000
MLK Plaza #18	2,415,000	600 Washington #85	16,961,000
Tech Electronics #19	900,000		
1505 Missouri #20	654,540	<b>Total</b>	<b><u>\$131,654,228</u></b>
Grand Center #21	4,361,000		
Walter Knoll Florist #22	979,760		
Luoderman Building #23	2,263,103		
920/1000 Olive #24	2,667,732		
Grace Lofts #25	1,601,725		
Paul Brown Building #26	3,264,200		
1141-1151 So. 7th Street #27	1,102,600		
Terra Cotta Lofts #28	3,505,000		
Southtowne Centre #30	8,223,998		
Soulard Apts. #32	2,760,533		
Printers Lofts #33	4,410,000		
City Hospital #34	2,431,000		
Fashion Square Lofts #35	4,105,000		
1601 Washington #36	3,320,000		
1619 Washington #37	1,896,000		
Highlands At Forest Park #38	2,412,000		
Security Building #39	3,045,000		
Maryland Plaza South #43	4,133,176		

## CITY DEBT

### Principal and Interest Requirements on Direct Debt

as of April 30, 2008

Fiscal Year	General Obligation Bonds		
	Principal	Interest	Total
2008-2009	1,084,742	5,146,193	6,230,935
2009-2010	3,490,000	2,171,310	5,661,310
2010-2011	3,615,000	2,055,860	5,670,860
2011-2012	3,730,000	1,940,266	5,670,266
2012-2013	3,905,000	1,778,629	5,683,629
2013-2014	4,090,000	1,590,941	5,680,941
2014-2015	4,275,000	1,412,421	5,687,421
2015-2016	4,485,000	1,209,821	5,694,821
2016-2017	4,720,000	993,051	5,713,051
2017-2018	4,990,000	771,001	5,761,001
2018-2019	5,270,000	543,127	5,813,127
2019-2020	885,000	297,325	1,182,325
2020-2021	930,000	261,927	1,191,927
2021-2022	975,000	224,726	1,199,726
2022-2023	1,025,000	184,751	1,209,751
2023-2024	1,080,000	142,471	1,222,471
2024-2025	1,135,000	97,650	1,232,650
2025-2026	1,190,000	49,980	1,239,980
	<u>\$50,874,742</u>	<u>\$20,871,450</u>	<u>\$71,746,192</u>

Source: Office of the Comptroller, City of St. Louis

### Debt Ratios

as of April 30, 2008

	Net Debt Per Capita
Direct Debt (incl. G.O. & Lease debt)	\$2,104
Direct Debt (above plus Revenue bonds)	\$4,723

Source: City of St. Louis Budget Division: based on 2006 revised U.S. census population of 353,837

### Bond Ratings

Moody's	A2
Standard & Poor's	A+
Fitch	A

## **CITY DEBT**

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In November, 2005, City voters approved additional general obligation debt of \$13 million. Issued in 2006, the total outstanding general obligation debt is now \$50.9 million. In total, the City remains well under the 10% cap established by the Missouri Constitution. Direct debt supported by property tax levies and City general and capital fund revenue totals \$2,104 per capita. Adding outstanding revenue bonds (primarily Airport) brings the debt per capita to \$4,723. The City's ability to manage its finances and maintain positive fund balances are key to the City's debt issuance policy. On May 19, 2008, Standard and Poor's Ratings Service upgraded the City's credit rating from A to A+ with a stable outlook and Fitch Ratings upgraded its rating from A- to A. Moody's Investors Service upgraded its rating on City debt from A3 to A2 on May 27, 2008.

These improved ratings allow the City to borrow money at lower interest rates thus resulting in decreased costs. These ratings also serve as a positive indicator for companies and investors looking to do business in the City of St. Louis.

# CITY OF ST. LOUIS , MISSOURI CITY PROFILE

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## City Narrative

The City of St. Louis is located on the Mississippi River, the eastern boundary of the State of Missouri, just below its confluence with the Missouri River. The City occupies 61.74 square miles of land and its area has remained constant since 1876. The City, a constitutional charter city not part of any county, is organized and exists under and pursuant to its Charter and the Constitution and laws of the State of Missouri.

The City is popularly known as the "Gateway of the West," due to its central location and historic role in the nation's westward expansion. Commemorating this role is the 630 foot stainless steel Gateway Arch, the world's tallest man made monument, which is the focal point of the 86 acre Jefferson National Expansion Memorial on the downtown riverfront.

The current City charter was adopted in 1923 by the electorate, while the City was originally incorporated as a city in 1823, and as a town in 1809.

*Source: City of St. Louis website*

## Civic Timeline

<u>Year</u>	<u>Event</u>
1764	St. Louis founded by Pierre Laclède
1823	City of St. Louis incorporated as a City
1832	Water distribution by waterworks
1847	City Hospital opened at 14th and Lafayette
1857	City Fire Department established
1861	Metropolitan Police System founded
1876	City separation from St. Louis County
1935	Bond Issue for Jefferson National Expansion Memorial approved
1954	Metropolitan Sewer District created
1963	Transit operations assumed by Bi-State



## Demographics

### Population

2006	353,837
2005	352,572
2004	350,705
2003	348,039
2002	347,954

### Population by Age

Under 5	23,707
5 to 19	77,844
20 to 44	136,227
45 to 64	67,229
65 to 84	41,045
+85	7,431

## CITY OF ST. LOUIS , MISSOURI CITY PROFILE

### Demographics (cont.)

<u>Race</u>	<u>Population</u>	<u>%</u>
White	154,981	43.8%
Black	181,165	51.2%
Asian	7,077	2.0%
Other	10,615	3.0%

Seal  
City of St. Louis



### Educational Attainment (>25 years of age)

Graduate Degree	17,142	7.6%
Bachelor's Degree	25,938	11.5%
Associate's Degree	9,924	4.4%
Some College (no degree)	45,787	20.3%
High School Diploma	62,027	27.5%
No Diploma	64,733	28.7%

Source: 2006 U.S. Census Est.

### Economic and Employment Data

<u>Tourist Attractions</u>	<u>2007 Attendance</u>	<u>% Change</u>	<u>2006 Attendance</u>
St. Louis Cardinals	3,552,180	4.3%	3,407,114
St. Louis Zoo	2,956,741	1.4%	2,917,218
Jefferson National Memorial (Arch)	2,385,387	-15.7%	2,830,403
St. Louis Science Center	1,200,000	0.0%	1,200,000
Missouri Botanical Garden	873,964	-28.1%	1,216,132
St. Louis Rams *	660,000	0.0%	660,000
City Museum	634,000	0.0%	633,717
Fox Theatre	620,246	20.4%	515,000
St. Louis Art Museum	461,147	3.6%	445,143
The Muny	443,663	5.5%	420,467

\* Tickets sold; not actual attendance.

Source: 2007 Figures; Respective Organizations  
2006 Figures; St. Louis Business Journal

<u>Income and Employment</u>	<u>Most Recent Period</u>	<u>% Change</u>	<u>Previous Year Period</u>
Per Capita Personal Income	06/ 05 <sup>1</sup>	5.6%	\$27,027
Average Annual Pay	06/ 05 <sup>2</sup>	3.0%	\$45,930
Total Employment	June 07(p)/ 06 <sup>2</sup>	4.4%	223,276
Establishments	2nd Qtr 07(p)/ 06 <sup>2</sup>	7.5%	7,950
Total Wages (In Thousands)	" "	10.2%	\$2,472,106
Average Weekly Wage	" "	5.2%	\$853
City Labor Force	Jan. 08(p)/ 07 <sup>2</sup>	-2.5%	157,291
Unemployment	" "	0.8%	6.5%

Source: <sup>1</sup> U.S. Bureau of Economic Analysis

<sup>2</sup> U.S. Bureau of Labor Statistics (p): Preliminary

# CITY OF ST. LOUIS , MISSOURI CITY PROFILE

## Top Employers

BJC Health Systems	15,351
Washington University	13,006
St. Louis University	9,379
City of St. Louis	8,647
AT&T Services, Inc.	6,628
St. Louis Board of Education	6,232
U.S. Postal Service	5,800
State of Missouri	5,310
Anheuser-Busch Companies, Inc.	5,033
A.G. Edwards (Now Wachovia)	5,016
Federated Retail (Now Macy's)	4,137
National Finance Center	3,658
Express Personnel Services	3,366
Defense, Finance, and Accounting Service	3,336

## Number of Employees 2006

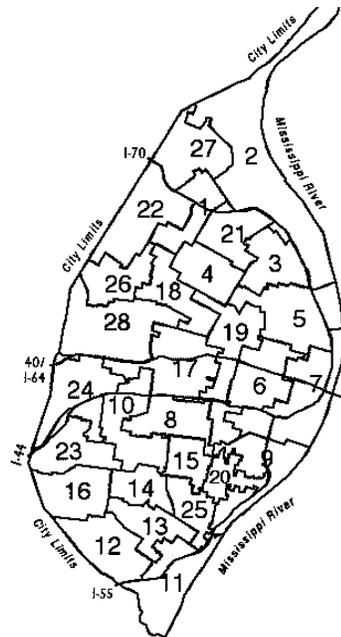
Source: City of St. Louis, Collector of Revenue

## Construction Activity (In Millions \$)

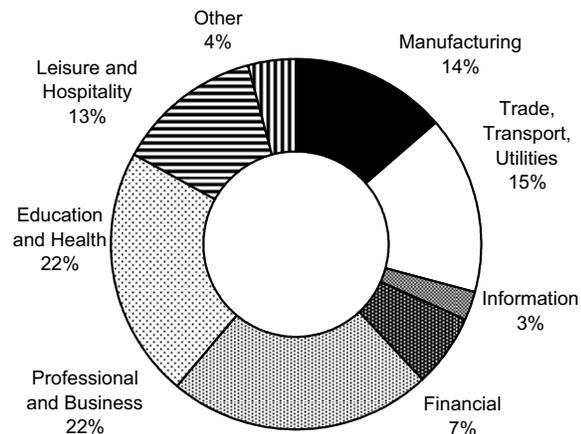
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
New Residential	113.0	50.4	115.9	67.3	79.7
Rehab Residential	113.6	112.4	193.2	137.7	191.7
New Commercial	118.3	265.5	113.4	329.7	94.0
Rehab Commercial	228.9	231.9	308.3	334.4	332.8

Source: Building Division, City of St. Louis

St. Louis'  
28 Wards



## **Employment by Industry**



Source: Bureau of Labor Statistics

## **GLOSSARY**

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### **Accrual Basis of Accounting**

Accounting method where revenues and expenditures are recognized when incurred as opposed to actually received or paid. The City's general fund and most special fund budgets use a modified accrual basis where encumbrances, including outstanding purchase orders, are budgeted as expenses but revenues are recognized only when they are actually received. (see also cash basis of accounting)

### **Affordable Housing Trust Fund**

Fund created in 2001 from a portion of receipts of the local use tax. Funds are dedicated to providing for the development and preservation of affordable and accessible housing in the City. Loan and grant programs are administered by the Affordable Housing Commission. In November 2002, City voters replaced the existing local use tax with a new local use tax. Under a new allocation formula, a total of \$5.0 million per year is to be allocated to the Affordable Housing Trust Fund.

### **Airport, City of St. Louis**

An enterprise fund used to account for the revenues and expenses of Lambert-St. Louis International Airport. The Airport is owned by the City of St. Louis and operated by an Airport Commission. The use of Airport revenues, derived primarily from airline payments for use of the facilities, parking fees and interest earnings, are limited to purposes of the Airport.

### **Aldermen, Board of**

28 elected individuals representing the 28 wards of the City and a President elected citywide who make up the City's legislative body.

### **Appropriation**

A legal authorization to make expenditures and incur obligations for specific purposes.

### **Assessment**

The valuation of property for the purpose of taxation.

### **Assessment Fund**

Fund which supports the operations of the Assessor's office.

### **Balanced Budget**

A budget in which resources available for appropriation equal planned expenditures.

### **Battered Persons Shelter Fund**

Established by ordinance in 1992, the Battered Persons Shelter fund is used solely for providing operating expenses for shelters for battered persons. The fund is supported by a \$1.00 fee imposed on municipal ordinance violations cases filed in municipal court.

## **GLOSSARY**

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### **BJC / City Trust Fund**

Fund used to account for operating and maintenance costs for Forest Park, funded through lease revenues from Barnes-Jewish Community Hospital.

### **Bond Issue**

Debt instrument used to fund large capital projects or other obligations for a period of more than one year. The debt is typically repaid following a fixed schedule of principal and/or interest payments over the term of the debt issued.

### **Budget**

A financial plan based on anticipated revenues and expenditures for a given period.

### **Budget Transfer**

The act of moving appropriated funds from one expenditure account to another. The budget transfer is used to adjust the budget to meet changes in planned expenditures that may occur during the fiscal year.

### **Building Demolition Fund**

Fund established to finance the demolition and board-up of dangerous buildings. The Building Demolition Fund is funded through a fee of \$2.00 per \$1,000 estimated value of any building permit issued by the City.

### **Capital Improvements Fund**

Fund for long-term improvements and maintenance of the City's infrastructure and/or acquisition of equipment or property for public use.

### **Capital Improvement Sales Tax Trust Fund**

Fund established for revenues received from the one-half cent sales tax for capital improvements. This fund consists of the following five accounts: Ward Capital Improvements Account (50%), Major Park Capital Improvements Account (17%), Recreation Center Capital Improvements Account (3%), Citywide Capital Improvements Account (20%) and Police Department Capital Improvements Account (10%).

### **Capital Improvement Plan (CIP)**

A document prepared each year concurrently with the City's annual budget that identifies planned capital improvement expenditures and resources available to fund those expenditures over the next five years.

### **Capital Improvement Expenditures**

Any action or expenditure taken or made to replace, install, refurbish, rehabilitate, reconstruct, update or otherwise improve the City's public infrastructure, including but not limited to, roads, bridges, parks and other public places, sidewalks, arterial streets, alleys and municipal buildings and efforts or expenditures taken or made to improve the quality of the City's fleet of rolling stock or other major equipment items.

## **GLOSSARY**

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### **Capital Improvement Sales Tax Trust Fund**

Fund established for revenues received from the one-half cent sales tax for capital improvements. This fund consists of the following five accounts: Ward Capital Improvements Account (50%), Major Park Capital Improvements Account (17%), Recreation Center Capital Improvements Account (3%), Citywide Capital Improvements Account (20%) and Police Department Capital Improvements Account (10%).

### **Capital Lease Debt**

A form of financing where a non-profit authority issues debt to fund a project. The debt is secured by lease payments to the authority by the municipality leasing the project or equipment that is being financed.

### **Cash Basis of Accounting**

Accounting method where revenues and expenses are recognized when actually received or paid. The City's enterprise funds are budgeted on a cash basis. (see also accrual basis of accounting)

### **Child Support Unit (Parent Locator Fund)**

State supported fund through which the Circuit Attorney's Office conducts its program for recovering child support payments.

### **City Employee Pension Trust Fund**

Fund established by City of St. Louis Ordinance 67815, effective January 27, 2008 used to account for \$13.5M of annual revenues from the City's gross receipts tax on telephone companies. Commencing with the fiscal year beginning July 1, 2008, payments from this fund will be used to pay debt service on Employee Retirement System (ERS) related bond issues and any additional actuarially required contributions to ERS.

### **Columbia Bottoms Fund**

Fund established to account for transactions relating to Columbia Bottoms, a parcel of land along the Missouri River which the City owns and leases out for private farming. With the recent sale of most of the property to the Missouri Department of Conservation, activity in this fund has been significantly reduced.

### **Communications (Cable) Fund**

Fund established for the purpose of overseeing the cable television and communications industry in the city and establishing and managing a government access channel and necessary studio facilities. The Cable Division is funded through a 5% franchise fee imposed on Cable operators.

### **Community Development Agency**

City agency responsible for planning and implementing the housing and economic development plans of the City of St. Louis. CDA also oversees operation, administration and programmatic and compliance monitoring of the Community Development Block

## **GLOSSARY**

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Grant program as well as other federal housing programs.

### **Community Development Block Grant (CDBG)**

A variety of funds received from the Federal Government for providing housing, community and economic development programs to economically distressed neighborhoods and segments of the population. The annual appropriation of CDBG program funds is typically approved in December of each year, separate from the City's overall general budget.

### **Comprehensive Annual Financial Report (CAFR)**

The audited financial report containing statements and reports of the City's financial activity for a given fiscal year.

### **Convention and Tourism Fund**

Fund established to foster and promote the City's convention and tourism industry. Expenditures from the fund are approved by members of the C & T Board consisting of the Mayor, the Comptroller and the President of the Board of Aldermen.

### **Convention and Sports Facility Trust Fund**

Fund established to help pay for the construction of the convention center expansion project. Revenues to the fund consist of the 3.5% gross receipts tax on hotel/motel receipts. These revenues are transferred to the City's General Fund and used to help pay the City's debt on the convention facility.

### **Debt Service**

Expenditures for principal and interest payments on loans, notes and bonds.

### **Debt Service Fund**

Fund used to specifically track payments of principal, interest and expenses on general obligation debt.

### **Department**

Major unit of organization in the City comprised of subunits called divisions.

### **Earnings Tax**

A one percent tax levied against employee gross compensation and business net profits. The tax applies to all residents of the City of St. Louis regardless of where they work. It also applies to the earnings of non-residents who work within the City limits.

### **Efficiency Measure**

A measure used to gauge the amount of resources / time required to deliver a given unit of service.

## **GLOSSARY**

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### **Employee Health & Hospital (Benefits) Fund**

A fund financed jointly by the City, its employees and retirees to ensure adequate health and hospital care for employees and retirees of the City. The income for this fund is derived from appropriations made in other City funds.

### **Encumbrance**

An obligation for which payment is anticipated but has not yet been made. Typically encumbrances represent outstanding purchase orders or contracts. The funds appropriated for these expenses are set aside in a reserve for payment. An item will remain an encumbrance until the obligation is paid or otherwise released.

### **Enterprise Fund**

A fund used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges. The City's Airport, Water and Parking Meter Divisions are enterprises.

### **Estimate and Apportionment, Board of**

The City's chief fiscal body - comprised of the Mayor, the Comptroller and the President of the Board of Aldermen.

### **Expenditure**

Money actually spent by the City for the programs and projects included in the approved budget.

### **Federal Mandate**

A regulation or requirement imposed on state or local governments by the Federal government. Federal mandates include the Clean Air Act, Clean Water Act, Americans with Disabilities Act and Underground Storage Tank Regulations.

### **Fee Office**

Office which by State statute is funded by a commission fee or portion of the revenues it is charged to collect. Fee offices are not included in annual City appropriations. Fee offices in the City include the Collector of Revenue, License Collector and Public Administrator.

### **Fiscal Year**

Twelve month period to which the budget applies. In St. Louis this is July 1 to June 30.

### **Franchise Tax**

Any one of a series of taxes on the gross receipts of utility companies operating within the City, including sales of electricity, natural gas, telephone services, water, steam and on the gross receipts of the Airport.

## **GLOSSARY**

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### **Fund Balance**

The level of funds remaining as measured generally at the conclusion of a fiscal year, after allocating for all encumbrances and other commitments. The fund balance often includes reserves set-aside to meet future obligations, (e.g. 27<sup>th</sup> pay reserve, rainy day reserve). From a fiscal policy standpoint, emphasis is often placed on the level of “unreserved” fund balance as an indicator of fiscal stability. The City’s policy is to achieve and maintain an unreserved general fund balance at a minimum of 5% of the general fund budget.

### **General Fund**

The main operating fund of the City.

### **General Obligation Bonds**

Debt issue that is supported by the full faith and credit of the City’s taxing authority. Debt issuance requires approval of two-thirds of voters. Retirement of general obligation debt is funded through a levy of the property tax.

### **Generally Accepted Accounting Principles (GAAP)**

The common set of accounting standards and procedures for reporting financial activity.

### **Health Care Trust Fund**

Fund created in 2001 from a portion of receipts from the local use tax. Funds are dedicated to providing public health care services within the City of St. Louis. In November 2002, voters replaced the existing local use tax with a new local use tax.

### **Intergovernmental Revenue**

Revenue received from federal, state or other governmental agencies.

### **Internal Service Fund**

Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies on a cost reimbursement basis.

### **Lateral Sewer Repair Fund**

Fund established in 1989 to provide the cost of the repairs of leaking lateral sewer service lines on residential properties. The Lateral Sewer Repair Program is funded by a \$28.00 annual fee on all residential property having six or less dwelling units.

### **Local Use Tax**

Originally approved by City voters in April, 2001, the local use tax is a tax imposed on purchases made from out of state vendors. The local use tax rate is equal to the City’s local sales tax rate. The local use tax was replaced by voters in November, 2002 with a new local use tax. Proceeds from the new local use tax are to be allocated each fiscal year in the amount of \$5 million each to the Health Care Trust Fund and the Affordable Housing Trust Fund, \$3 million for derelict building demolition and any excess amounts shall be dedicated collectively to any of the following: derelict building demolition,

## **GLOSSARY**

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public safety, neighborhood preservation, development and preservation of affordable and accessible housing and public health care services.

### **Local Parks Fund**

Fund used to account for revenues and expenses from the 1/8<sup>th</sup> cent sales tax approved by voters in November, 2006. The proceeds of the tax are to be used for the financing of two new recreation centers in the City, improvements to existing recreation centers and to provide additional recreation programming.

### **Outcome Measure**

A measure used to gauge how well a given service results in a desired outcome.

### **Output Measure**

A measure used to gauge workload or units of service provided through or by a program.

### **Parking Funds**

Funds used to track revenues and expenses of the Parking Meter Division and Kiel Parking Facility. Both of these operations are managed as separate enterprise funds by the Treasurer's Office.

### **Payroll Expense Tax**

A tax of one-half of one percent of total compensation paid by a business to its employees for work performed in the City of St. Louis. Non-for-profit charitable or civic organizations are exempt from the payroll expense tax.

### **Performance Measure**

Any one of a number of measures used to gauge a program's efficiency, outcome or output.

### **Personal Services**

Account group of expenditures related to salaries, overtime, social security payments, health insurance and other fringe benefit costs of personnel.

### **Port Authority Fund**

Fund established to manage all phases of the harbor and wharves operation including enforcement of all regulations with the guidance of a Port Development Commission.

### **Program**

A set of activities conducted by a department or division to provide a specific service.

### **Property Tax**

A tax levied on the assessed value of property (e.g. personal, real estate).

## **GLOSSARY**

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### **Public Facilities Protection Corporation**

A not-for-profit corporation established to provide the City with Surety Bond and Insurance coverage and general protection from judgments rendered against the City. Each year the City makes a contribution to PFPC out of the General Fund.

### **Public Safety Sales Tax (½ Cent)**

Part of Proposition S, approved by voters on February 5, 2008, a one-half of one percent sales tax on all retail sales made in the City of St. Louis. Revenues collected by the tax are deposited into the Public Safety Trust Fund, from which payments are made to fund the police and fire pension systems, crime prevention programs to be administered by resolution of the Board of Aldermen, as well as salary increases for firefighters, police and civilian employees of the police department.

### **Public Safety Trust Fund**

Funds used to account for receipts and expenditures from an increase in the Graduated Business License tax rates approved by voters in August, 2006. The proceeds are allocated as follows: 75% to the Police Department for new policing initiatives, 15% for the Circuit Attorney's Office for the establishment of a Career Criminal Unit and 10% for the City Counselor's Office for enhancing the problem properties unit.

### **Revenue**

Income received by the City government from sources, such as taxes, fees, user charges, grants and fines, which is used to support the government's facilities and services to the community.

### **Revenue Bonds**

Debt issue used to finance capital improvements payable solely out of the revenue derived from the facility that is financed from the proceeds of the bonds. Most often used by enterprise funds (e.g. Water Division, Airport)

### **Riverboat Gaming Fund**

Fund established to account for revenues from riverboat gaming. Appropriations from this fund are used for three primary purposes, 1) public safety on the riverfront, 2) capital expenditures (i.e. local bridge match, etc.) and 3) economic development. Revenue from riverboat gaming leases is received through the Port Authority Fund.

### **Special Revenue Fund**

A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

### **Street Improvement Fund (St. Louis Works)**

A street and sidewalk improvement program funded primarily from a portion of City utility taxes and State motor vehicle sales tax revenues. St. Louis Works funds are appropriated under a separate ordinance on a calendar year basis.

## GLOSSARY

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### **Tax Increment Financing**

Funding mechanism that uses the tax benefits generated by a development to pay the debt for improvements related to the development.

### **Transportation Fund**

Fund used to account for revenues and appropriations from the 0.5% transportation sales tax and the 0.25% Metrolink sales tax. All revenues into the transportation fund are currently appropriated to the Bi-State Development Agency that operates the regional mass transit system.

### **Trust and Agency Funds**

Funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or funds.

### **Twenty-Seventh Pay Reserve**

Reserve set aside for fiscal years in which a 27<sup>th</sup> pay day occurs. With bi-weekly pay periods, a 27<sup>th</sup> pay day will occur once every 11 years. The last 27<sup>th</sup> pay period occurred in FY06 and the next one will occur in FY17.

### **Unreserved Fund Balance**

That portion of the fund balance that does not include reserves set-aside to meet future obligations (see also fund balance)

### **User Fees**

Fees paid directly by citizens for a service used (i.e. park fees, bus fares).

### **Water Division Fund**

An enterprise fund used to account for the revenues and expenses of the Water Division, which is owned and operated by the City and funded primarily through water sales.

## COMMON ACRONYMS

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<b>ADA</b>	Americans with Disabilities Act	<b>CAFR</b>	Comprehensive Annual Financial Report
<b>BPS</b>	Board of Public Service	<b>CDA</b>	Community Development Agency

## GLOSSARY

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<b>CDBG</b>	Community Development Block Grant		Services Agency
<b>CEMA</b>	City Emergency Management Agency	<b>ISTEA</b>	Inter-modal Surface Transportation Efficiency Act
<b>CIP</b>	Capital Improvement Plan	<b>LLEBG</b>	Local Law Enforcement Block Grant
<b>CJC</b>	City Justice Center	<b>MBE</b>	Minority Business Enterprise
<b>COPS</b>	Community Oriented Policing Services	<b>MSI</b>	Medium Security Institution
<b>CORR</b>	Community Outreach for Risk Reduction	<b>NSO/T</b>	Neighborhood Stabilization Officer/Team
<b>CREA</b>	Civil Rights Enforcement Agency	<b>PFPC</b>	Public Facilities Protection Corporation
<b>C&amp;T</b>	Convention and Tourism Fund	<b>PRS</b>	Police Retirement System
<b>CSB</b>	Citizens' Service Bureau	<b>REJIS</b>	Regional Justice Information Service
<b>E&amp;A</b>	Board of Estimate and Apportionment	<b>SLAA</b>	St. Louis Area Agency on Aging
<b>EMS</b>	Emergency Medical Service	<b>SLATE</b>	St. Louis Agency on Training and Employment
<b>ERS</b>	Employee Retirement System	<b>SLDC</b>	St. Louis Development Corporation
<b>ESD</b>	Equipment Services Division	<b>SLPD</b>	St. Louis Metropolitan Police Department
<b>FRS</b>	Firemen's Retirement System	<b>TIF</b>	Tax Increment Financing
<b>HCD</b>	Housing Conservation District	<b>WBE</b>	Women's Business Enterprise
<b>ITSA</b>	Information Technology		