



BUDGET PROCESS

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.



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- 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.
 - 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.



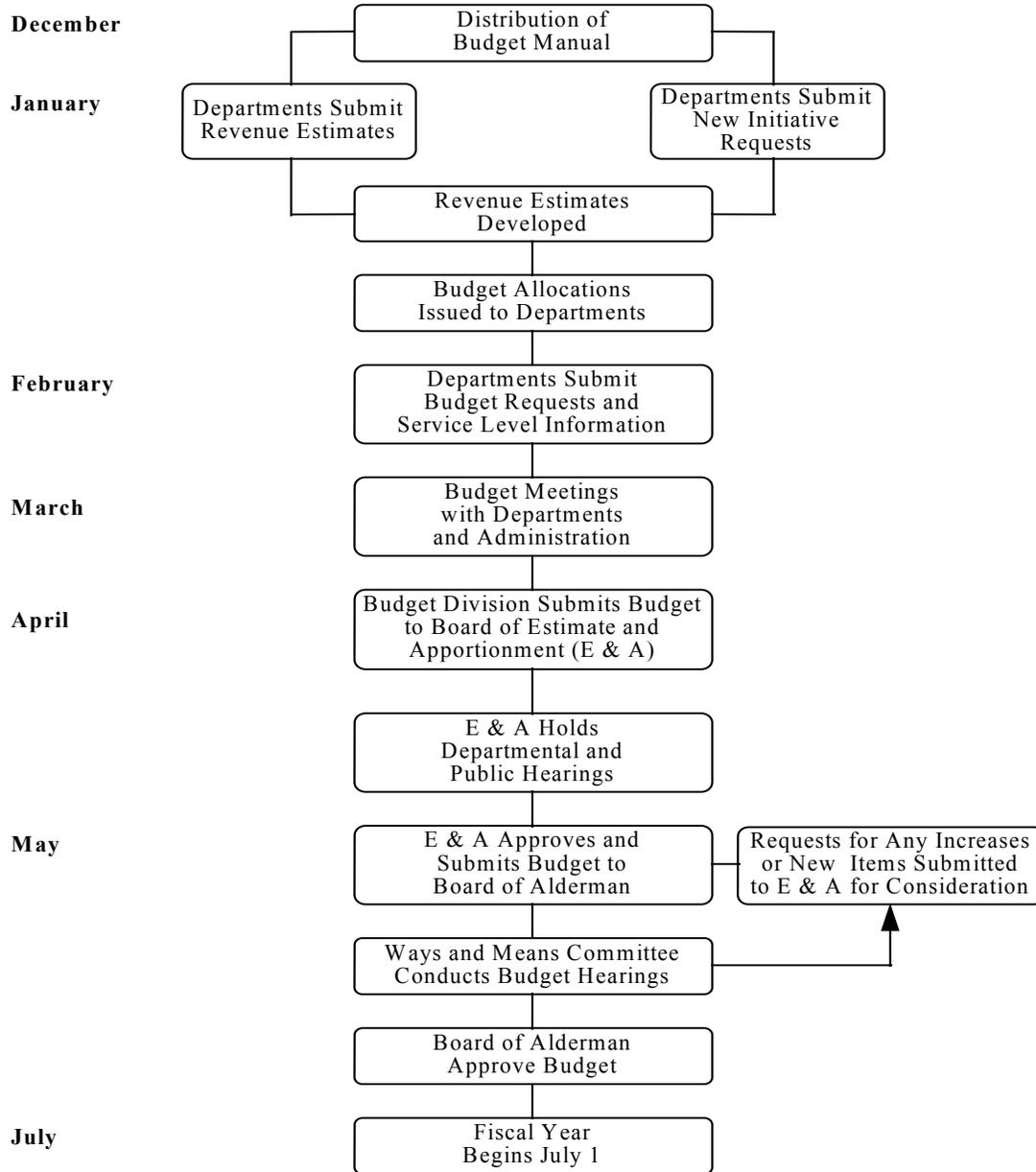
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- The Board of Aldermen may reduce the amount of any item in a budget bill, except amounts fixed by statute or ordinance obligations. The Board of Aldermen may not increase any appropriation amount nor insert new items unless specifically approved 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



FINANCIAL AND BUDGETARY POLICIES

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.

BUDGET PREPARATION AND ADMINISTRATION

- 1) Annual budgets will be developed for the general and all required 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 making tool.
- 3) Appropriations will be based on reasonable estimates of revenue
- 4) Revenue and expenditures will be accounted for on a cash basis for budgetary purposes
- 5) The City will prepare a Comprehensive Annual Financial Report which it believes will meet all of the guidelines necessary to receive the Certificate of Achievement 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.

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 projections.

FINANCIAL AND BUDGETARY POLICIES

GENERAL FUND BUDGET (cont.)

- 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 on-going 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 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.

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 Improvement 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 any 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 or refinance only those long-term assets or projects that benefit a significant portion of citizens in St. Louis 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 bond issues will be set forth in respective bond covenants.

FINANCIAL AND BUDGETARY POLICIES

- 4) All 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 of following conditions exist:
 - 1) present value savings of 3% of par value of the refunding bonds
 - 2) bond covenants restrictive or outdated
 - 3) restructuring debt is deemed desirable (e.g. desire to keep debt payments level from year to year, opportunity to release excess debt payment 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

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 government.

SAFE NEIGHBORHOODS

- o Pursue a community oriented Policing strategy that protects the public from the occurrence of crime and increases public safety both in perception and reality
- o Ensure the administration of justice through a fair and efficient judicial system
- o Prepare the City's government, emergency responders, private agencies and citizens to prevent, respond to and recover from disasters and other emergency events
- o 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
- o Enforce the building codes and ordinances of the City honestly, fairly and efficiently
- o Protect the safety of the public and preserve neighborhoods through the removal of structurally unsound and derelict buildings

- o 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

- o Provide a full range of recreational and educational activities to City residents particularly City youth through recreation centers, recreation outposts and summer day camps.
- o Ensure the attractiveness, safety and quality of parks and neighborhoods through the maintenance and care of the urban forest.
- o 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

AFFORDABLE HOUSING AND DESIRABLE NEIGHBORHOODS

- o Promote neighborhood preservation through the aggressive prosecution of building, environmental, health and nuisance law violations
- o 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.
- o Promote neighborhood preservation and enhanced quality of life through an aggressive program of weed and debris removal.
- o Remove derelict vehicles that are in violation of City ordinances
- o Provide City residents with courteous and efficient collection and disposal of solid waste in an environmentally safe manner
- o Promote conservation of housing stock via a comprehensive inspection program to enforce all applicable building codes.
- o 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

- o Efficiently provide a plentiful supply of the highest quality drinking water to City residents, businesses and other valued customers
- o Provide an 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 region
- o Oversee and evaluate public right-of-way conditions for streets, sidewalks and ramps and provide for efficient and cost effective programs for their repair and maintenance
- o Manage the City's street signage, signals and lighting in a manner that efficiently and effectively moves traffic through the City
- o Provide City commuters with safe, clean, and well-maintained streets, alleys and bridges in a cost effective manner
- o Provide an efficient and well-maintained infrastructure for intermodal shipping through the City's port district

CITIZENRY OF GOOD HEALTH AND WELL BEING

- o Develop and maintain a world class EMS system to provide the best possible pre-hospital emergency medical care

CITY VISION AND PROGRAM MISSIONS

CITIZENRY OF GOOD HEALTH AND WELL BEING (cont.)

- o Provide the City with significant, pro-active lead poisoning prevention services through inspection, abatement and clinical efforts
- o Help City residents live longer, healthier and happier lives through health promotion and disease prevention efforts
- o Protect the public from biting incidents, animal nuisances and the potential for the spread of disease through the enforcement of animal related ordinances
- o Protect the public from insect and rodent borne disease through effective and efficient prevention and treatment efforts
- o Promote clean air through air monitoring and emissions inspection efforts
- o 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
- o 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

- o 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 region
- o Enhance quality of life and economic vitality of the City through preparation of city-wide neighborhood plans, preservation of cultural resources and provision of research, graphics and design standard capabilities
- o Promote neighborhood growth and or stabilization through federal funds administered by the U.S. Department of Housing and Urban Development (HUD)
- o Promote economic vitality through continued maintenance and preservation of the City's convention and sports related venues
- o Promote a favorable environment for economic development through a judicious use of TIFs and other economic incentives
- o Ensure building and occupancy permits are compliant with zoning ordinances that reflect the best economic and quality of life interests of the City

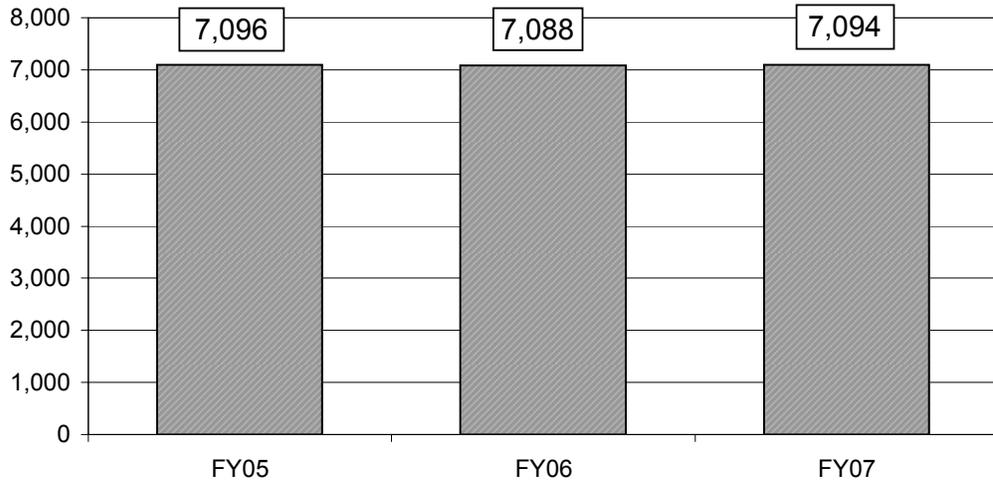
CITY VISION AND PROGRAM MISSIONS

EFFICIENT AND EFFECTIVE GOVERNMENT

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

PERSONNEL SUMMARY

PERSONNEL TOTALS FY05 - FY07



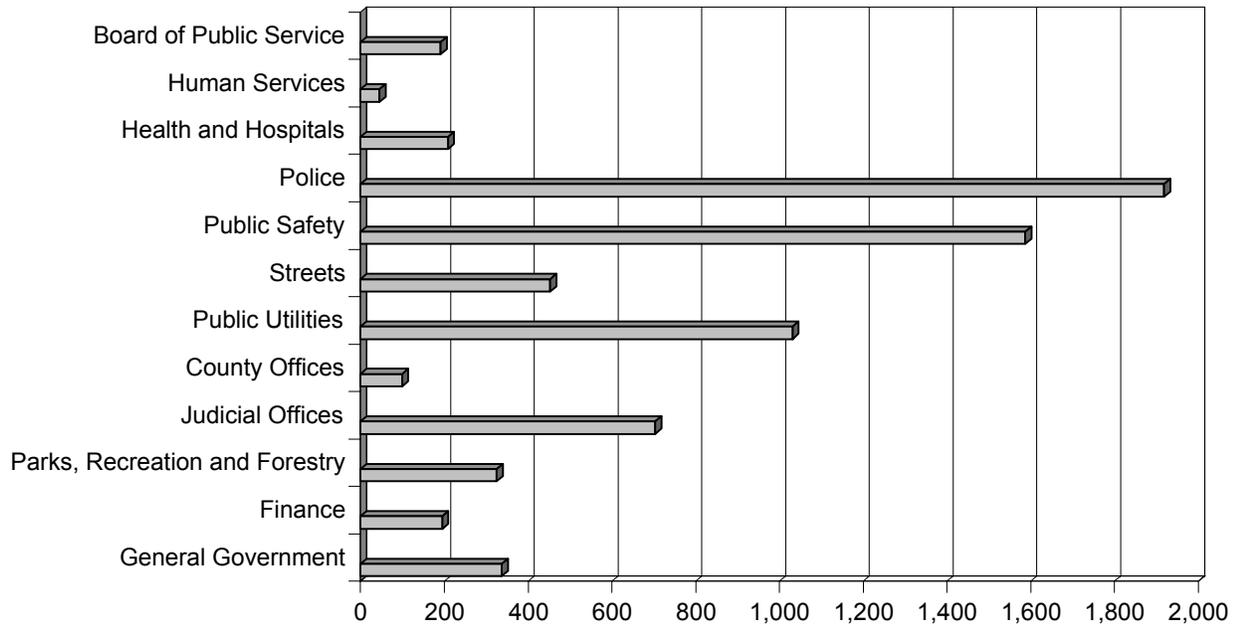
Personnel Trends FY05 - FY07

The total number of personnel budgeted in FY07 will remain relatively constant with slight increases mostly offset by decreases in all funds from the previous fiscal year. The General Fund will realize a net decrease of 8 positions. This reduction is offset in part by a net increase in special and enterprise fund totals. Notable changes in personnel include an increase of 14 positions in the Department of Health and Hospitals, 7 of which are funded through local use tax funds targeting mostly contract compliance and communicable disease efforts with the remaining funded through grants. The expiration of public safety related block grants will result in a net decline of 7 positions mostly in judicial offices. Five new positions were added to SLATE for job placement counseling. Other position changes are minor and scattered throughout departments.

In the enterprise funds, Lambert International Airport is increasing its staffing by 11 positions. These new positions are intended to address staffing requirements related to Airport expansion projects. The Water Division is reducing its total by 4 positions.

PERSONNEL SUMMARY

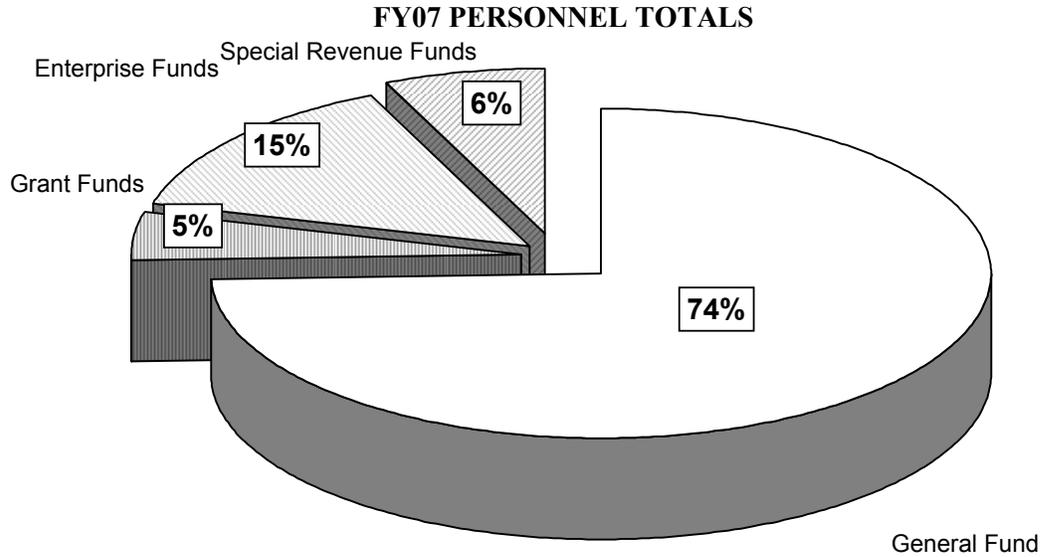
FY07 PERSONNEL TOTALS BY DEPARTMENT



Authorized Full-Time Personnel Totals - By Department All Fund

| Department | FY05 | FY06 | FY07 |
|--------------------------------|-----------------|-----------------|-----------------|
| General Government | 337.00 | 333.00 | 337.00 |
| Finance | 198.00 | 198.00 | 195.00 |
| Parks, Recreation and Forestry | 331.00 | 328.00 | 325.00 |
| Judicial Offices | 726.00 | 716.51 | 703.90 |
| County Offices | 99.00 | 99.00 | 99.00 |
| Public Utilities | 985.00 | 1,024.00 | 1,031.00 |
| Streets | 456.00 | 454.00 | 453.00 |
| Public Safety | 1,591.00 | 1,587.00 | 1,587.00 |
| Police | 1,899.00 | 1,916.00 | 1,919.00 |
| Health and Hospitals | 221.50 | 194.13 | 208.50 |
| Human Services | 49.00 | 45.00 | 45.00 |
| Board of Public Service | 203.00 | 193.00 | 191.00 |
| Totals | 7,095.50 | 7,087.64 | 7,094.40 |

PERSONNEL SUMMARY



Authorized Full-Time Personnel Totals - By Fun

| Fund | FY05 | FY06 | FY07 |
|--|-----------------|-----------------|-----------------|
| General Fund | 5,316.09 | 5,295.19 | 5,287.28 |
| Special Revenue and Other Funds | | | |
| Local Use Tax Funds | 205.50 | 185.65 | 197.00 |
| Assessment Fund | 72.00 | 71.00 | 71.00 |
| Communications Fund | 19.00 | 19.00 | 19.00 |
| Lateral Sewer Fund | 16.51 | 16.60 | 16.53 |
| 1116-9 Special Funds | 89.50 | 96.50 | 97.50 |
| Surface Transportation Projects Fund | 2.00 | 1.00 | 1.00 |
| Street Improvements Fund | 39.00 | 39.00 | 39.00 |
| Tax Increment Financing Fund | 1.90 | 5.30 | 5.80 |
| Mail Center - Special Fund | 7.25 | 7.30 | 7.27 |
| Employees Health and Hospital Fund | 8.15 | 8.15 | 9.15 |
| Grant Funds | | | |
| SLATE | 39.00 | 30.00 | 29.00 |
| Community Development Block Grant | 112.11 | 115.85 | 113.05 |
| Other Grant Funds | 193.11 | 183.72 | 181.82 |
| Enterprise Funds | | | |
| Water Division | 385.00 | 383.00 | 379.00 |
| Airport | 589.38 | 630.38 | 641.50 |
| Totals | 7,095.50 | 7,087.64 | 7,094.90 |

PERSONNEL SUMMARY

| Department (All Funds) | FY05 | FY06 | FY07 |
|--|---------------|---------------|---------------|
| General Government | | | |
| 110 Board of Aldermen | 45.00 | 44.00 | 45.00 |
| 120 Mayor's Office | 23.00 | 23.00 | 23.00 |
| 121 SLATE | 38.00 | 29.00 | 33.00 |
| 123 Dept. Of Personnel | 48.00 | 48.00 | 50.00 |
| 124 Register | 3.00 | 3.00 | 3.00 |
| 126 CREA | 6.00 | 6.00 | 6.00 |
| 127 Technology & Information Sys Agency | 43.00 | 44.00 | 44.00 |
| 137 Budget Division | 7.00 | 7.00 | 7.00 |
| 139 City Counselor | 56.00 | 60.00 | 60.00 |
| 141 Planning and Urban Design | 22.00 | 22.00 | 19.00 |
| 142 Community Development Administration | 42.00 | 43.00 | 43.00 |
| 143 Affordable Housing Commission | 4.00 | 4.00 | 4.00 |
| Total General Government | 337.00 | 333.00 | 337.00 |
| Finance | | | |
| 160 Comptroller | 84.00 | 85.00 | 82.00 |
| 162 Municipal Garage | 7.00 | 7.00 | 7.00 |
| 163 Microfilm | 7.00 | 7.00 | 7.00 |
| 170 Supply Commissioner | 9.75 | 9.70 | 9.73 |
| 171 Multigraph | 11.00 | 11.00 | 11.00 |
| 172 Mail Room | 7.25 | 7.30 | 7.27 |
| 180 Assessor | 72.00 | 71.00 | 71.00 |
| Total Finance | 198.00 | 198.00 | 195.00 |
| Parks, Recreation and Forestry | | | |
| 210 Director, PR&F | 5.00 | 5.00 | 4.00 |
| 213 Recreation | 29.00 | 28.00 | 26.00 |
| 214 Forestry | 123.00 | 123.00 | 123.00 |
| 220 Parks | 174.00 | 172.00 | 172.00 |
| Total Parks, Recreation and Forestry | 331.00 | 328.00 | 325.00 |
| Circuit Clerk and Court En Banc | | | |
| 310 Circuit Clerk | 1.00 | 1.00 | 1.00 |
| 311 Circuit Court | 73.00 | 73.00 | 73.00 |
| 313 Board of Jury Spvrs | 10.00 | 10.00 | 10.00 |
| 314 Probate Court | 0.00 | 0.00 | 0.00 |
| 320 Probation & Juvenile Det. | 257.00 | 245.51 | 238.90 |
| Total Circuit Clerk and Court En Banc | 341.00 | 329.51 | 322.90 |
| Other Judicial Offices | | | |
| 312 Circuit Attorney | 144.00 | 146.00 | 142.00 |
| 315 Sheriff | 178.00 | 180.00 | 180.00 |
| 316 City Courts | 37.00 | 35.00 | 33.00 |
| 317 City Marshal | 26.00 | 26.00 | 26.00 |
| Total Other Judicial Offices | 385.00 | 387.00 | 381.00 |

PERSONNEL SUMMARY

| Department (All Funds) | FY05 | FY06 | FY07 |
|----------------------------------|-----------------|-----------------|-----------------|
| County Offices | | | |
| 330 Tax Equalization Board | 0.00 | 0.00 | 0.00 |
| 333 Recorder of Deeds | 45.00 | 45.00 | 45.00 |
| 334 Election & Registration | 32.00 | 32.00 | 32.00 |
| 335 Medical Examiner | 12.00 | 12.00 | 12.00 |
| 340 Treasurer | 10.00 | 10.00 | 10.00 |
| Total County Offices | 99.00 | 99.00 | 99.00 |
| Public Utilities | | | |
| 401 Communications Division | 17.00 | 17.00 | 17.00 |
| 414 Soulard Market | 4.00 | 4.00 | 4.00 |
| 415 Water Division | 382.00 | 380.00 | 376.00 |
| 420 Airport | 582.00 | 623.00 | 634.00 |
| Total Public Utilities | 985.00 | 1,024.00 | 1,031.00 |
| Streets | | | |
| 510 Director of Streets | 39.00 | 39.00 | 39.00 |
| 511 Transportation and Traffic | 85.00 | 83.00 | 83.00 |
| 513 Auto Towing | 29.00 | 29.00 | 29.00 |
| 514 Street Division | 139.00 | 139.00 | 139.00 |
| 516 Refuse | 164.00 | 164.00 | 163.00 |
| Total Streets | 456.00 | 454.00 | 453.00 |
| Public Safety | | | |
| 610 Director, Public Safety | 11.00 | 10.00 | 9.00 |
| 611 Fire Department | 830.00 | 831.00 | 831.00 |
| 616 Excise Commissioner | 6.00 | 6.00 | 6.00 |
| 620 Building Commissioner | 223.00 | 232.00 | 232.00 |
| 622 Neighborhood Stabilization | 41.00 | 41.00 | 41.00 |
| 625 CEMA | 0.00 | 0.00 | 0.00 |
| 632 MSI | 256.00 | 244.00 | 245.00 |
| 633 City Justice Center | 224.00 | 223.00 | 223.00 |
| Total Public Safety | 1,591.00 | 1,587.00 | 1,587.00 |
| Police | | | |
| 650 Police Department | 1,899.00 | 1,916.00 | 1,919.00 |
| Total Police Department | 1,899.00 | 1,916.00 | 1,919.00 |
| Health and Hospitals | | | |
| 700 Director, H & H | 9.00 | 8.00 | 13.00 |
| 710 Health Commissioner | 18.00 | 17.00 | 18.00 |
| 711 Communicable Disease Control | 60.50 | 51.15 | 55.00 |

PERSONNEL SUMMARY

| Department (All Funds) | FY05 | FY06 | FY07 |
|--------------------------------------|-----------------|-----------------|-----------------|
| 713 Public Health Lab | 8.00 | 0.00 | 0.00 |
| 714 Animal Regulation Center | 22.00 | 21.00 | 21.00 |
| 715 Community Sanitation | 53.00 | 65.98 | 70.50 |
| 716 Lead Poisoning Clinic | 15.00 | 15.00 | 18.00 |
| 719 Immunizations | 21.00 | 16.00 | 13.00 |
| 720 Food Control | 15.00 | 0.00 | 0.00 |
| Total Health and Hospitals | 221.50 | 194.13 | 208.50 |
| Human Services | | | |
| 800 Human Services | 49.00 | 45.00 | 45.00 |
| Total Human Services | 49.00 | 45.00 | 45.00 |
| Board of Public Service | | | |
| 900 President, BPS | 65.00 | 62.00 | 60.00 |
| 903 Facilities Management | 52.00 | 48.00 | 48.00 |
| 910 ESD | 83.00 | 80.00 | 80.00 |
| 930 Soldiers' Memorial | 3.00 | 3.00 | 3.00 |
| Total Board of Public Service | 203.00 | 193.00 | 191.00 |
| TOTALS | 7,095.50 | 7,087.64 | 7,094.40 |

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 are anticipated beginning in FY06 and to continue in FY07 where they are budgeted in the amount of approximately \$1.0 million per year.

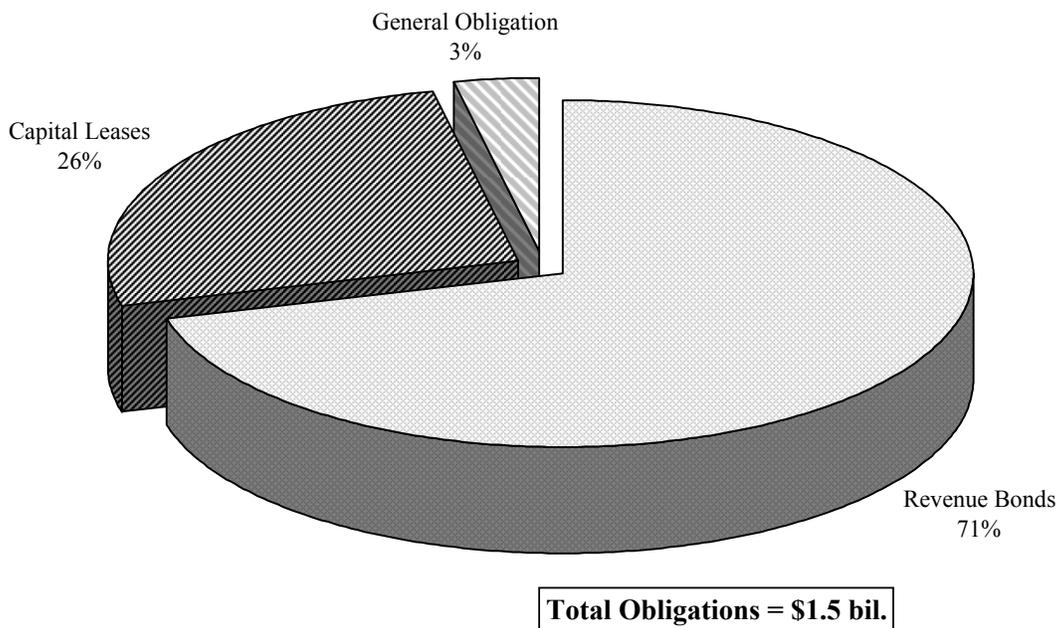
| Legal Debt Margin | | |
|--|------------------------------|---|
| as of March 31, 2006 | | |
| | City Purposes Basic Limit | Streets and Sewers Additional Limit |
| 2004 Assessed Value: | \$3,365,725,220 | \$3,365,725,220 |
| <u>Debt Limit</u> | | |
| 10% of AV: | 336,572,521 | 336,572,521 |
| Less: General Obligation Bonds | 45,219,742 | 0 |
| <u>Legal Debt Margin</u> | <u>\$291,352,779</u> | <u>\$336,572,521</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

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 March, 2006 amount to about \$1.5 billion. As illustrated below, over two thirds of this amount 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 3/31/06 per Office of the Comptroller

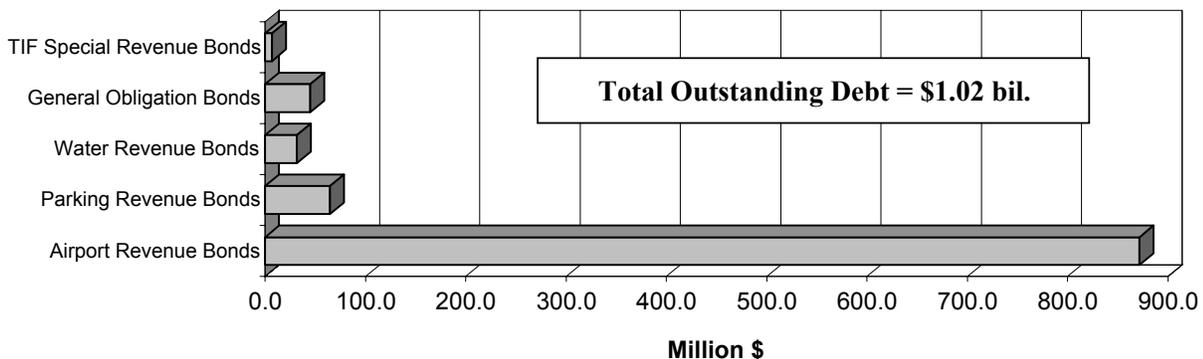
CITY DEBT

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. 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.

| Bond Type | Amount Outstanding as of March 31, 2006 |
|-------------------------------------|--|
| General Obligation Bonds | \$45,219,742 |
| Water Revenue Bonds | 31,820,000 |
| Parking Revenue Bonds | 64,772,000 |
| Airport Revenue Bonds | 871,345,000 |
| TIF Revenue Bonds (gen fund backed) | 7,050,000 |
| Total | \$1,020,206,742 |

OUTSTANDING DEBT



CITY DEBT

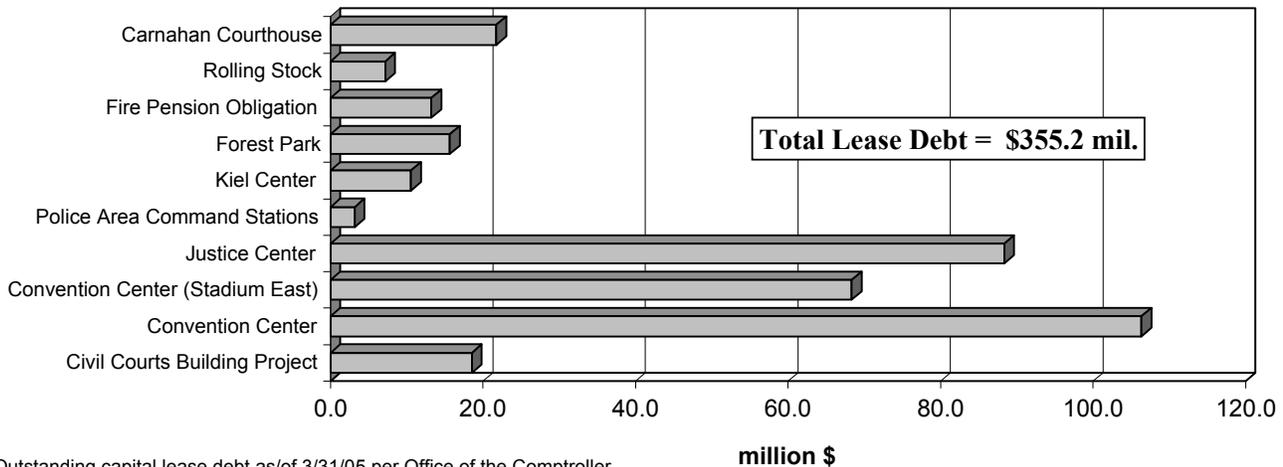
Capital Leases

The City has outstanding a number of 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 | Amount Outstanding March 31, 2006 | Remaining Term In Years | Issue Date |
|--|--------------------------------------|----------------------------|------------|
| Civil Courts Building Project | \$18,560,000 | 7 | Jun-94 |
| Convention Center (East) ¹ | 68,376,000 | 16 | Feb-97 |
| Convention Center - 1993A | 2,567,205 | 8 | Jun-93 |
| Convention Cntr Leasehold Refunding - 2003 | 103,765,000 | 8 | Jun-93 |
| Kiel Center Refunding- A | 6,240,000 | 14 | Aug-97 |
| Kiel Center Refunding -B | 4,355,000 | 11 | Aug-97 |
| Police Area Command Stations | 3,200,000 | 2 | Jun-94 |
| Justice Center - 1996A | 4,725,000 | 2 | Aug-96 |
| Justice Center - 1996B | 2,475,000 | 7 | Aug-96 |
| Justice Center - 2000 | 3,765,000 | 4 | Feb-00 |
| Justice Center - 2001 | 62,010,000 | 15 | Sep-01 |
| Justice Center - 2005 | 15,370,000 | 14 | Aug-05 |
| Forest Park - 2004 | 15,685,000 | 17 | Mar-97 |
| Fire Pension Obligation Bonds | 13,230,000 | 5 | Apr-98 |
| Carnahan Courthouse | 21,750,000 | 21 | Apr-02 |
| Rolling Stock | 7,195,529 | 12 | Mar-00 |
| MDNR Energy Efficiency Program | 1,917,827 | 3 / 7 | Jul-01 |
| Total | \$355,186,561 | | |

¹ 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.

CAPITAL LEASE DEBT



Outstanding capital lease debt as of 3/31/05 per Office of the Comptroller.

CITY DEBT

Capital Leases (cont.)

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 and Forest Park improvement leases are funded utilizing 1/2 cent sales tax proceeds that are dedicated to those departments. Approximately one half of the lease debt service requirements of \$46.3 million in FY07 are supported by direct and indirect sources of revenue. Below are debt service requirements for existing capital leases over the next three fiscal years. From time to time when economically viable, refinancing of some of these issues may occur, thus impacting future debt service requirements.

| Schedule of Lease Debt Payment | | | |
|--|---------------------|---------------------|---------------------|
| | FY07 | FY08 | FY09 |
| Cervantes Convention Center - 1993 (refinanced) | \$14,374,423 | \$17,722,000 | \$15,363,000 |
| Civil Courts Lease - 1994 | 2,754,450 | 2,752,000 | 2,744,000 |
| Convention Center East / Stadium - 1997 ¹ | 6,000,000 | 6,000,000 | 6,000,000 |
| CCC Energy Lighting Debt | 387,836 | 387,835 | 387,835 |
| Fire Pension Obligation Bonds - 1998 | 3,113,568 | 3,104,000 | 3,100,000 |
| Forest Park Lease - 1997 | 1,372,000 | 1,370,000 | 1,372,000 |
| Justice Center Lease | 11,154,250 | 11,124,000 | 11,128,000 |
| Kiel Center - 1997 | 990,796 | 973,000 | 970,000 |
| Police Area Command Stations - 1994 | 1,320,240 | 1,966,000 | --- |
| Rolling Stock Lease / ITSA 2000-06 | 3,098,843 | 3,100,000 | 3,100,000 |
| Carnahan Courthouse -2002 | 1,143,713 | 1,139,000 | 1,139,000 |
| 911 System Upgrades | 240,000 | 240,000 | 240,000 |
| MDNR Loan - 2001 | 395,000 | 394,000 | 394,000 |
| Total | \$46,345,119 | \$50,271,835 | \$45,937,835 |
| ¹ includes asset preservation payment | | | |

CITY DEBT

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 is 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 remains a potential obligation of the City. A listing of actual outstanding TIF debt as well as approved TIF projects and estimated costs follow:

| <u>TIF Project</u> | <u>Debt Outstanding</u> |
|--|---------------------------------|
| Cupples Station #3 | \$2,005,000 |
| West Pine TIF Note #5 | 40,595 |
| Chouteau Compton #6 | 3,240,000 |
| Robert E. Lee #9 | 600,000 |
| 100 N. Condo #10 | 15,206 |
| Emerging Technologies #11 | 774,890 |
| 3800 Park #12 | 382,703 |
| Gravois Plaza #13 | 4,049,000 |
| Tech Electronics #19 | 900,000 |
| 1505 Missouri #20 | 659,540 |
| WKF #22 | 979,760 |
| 920/1000 #24 | 2,667,732 |
| Paul Brown #26 | 3,264,200 |
| 1141-1151 So. 7th Street #27 | 1,131,600 |
| Terra Cotta #28 | 3,505,000 |
| Southtowne #30 | 7,500,000 |
| Soulard Apts. #32 | 2,760,533 |
| 1619 Washington #37 | 1,930,000 |
| Maryland Plaza South | 4,133,176 |
| | <hr/> |
| | 40,538,935 |
| <u>Industrial Development Auth. Bonds</u> | |
| Edison Brothers #8 | 5,226,000 |
| M:LK Plaza #18 | 2,565,000 |
| | <hr/> |
| | 7,791,000 |
| Total TIF Debt Outstanding | <hr/> <hr/> \$48,329,935 |

CITY DEBT

| <u>TIF Project</u> | <u>Estimated TIF Cost</u> | <u>TIF Area Approved</u> |
|----------------------------------|---------------------------|--------------------------|
| St. Louis Marketplace (Scullin) | \$15,000,000 | 07/20/90 |
| Cupples | 52,200,000 | 03/08/91 |
| 4548 West Pine | 300,000 | 12/22/97 |
| Argyle | 3,000,000 | 12/11/98 |
| Chouteau / Compton | 3,600,000 | 12/17/98 |
| Center for Emerging Technology | 1,493,000 | 09/24/99 |
| Edison Brothers | 5,450,000 | 01/29/00 |
| Robert E. Lee | 600,000 | 01/29/00 |
| 100 North Condominium LLC | 400,000 | 02/09/00 |
| Convention Center Hotel | 50,000,000 | 02/05/99 |
| 3800 Park | 390,000 | 08/01/01 |
| Gravois Plaza | 4,049,000 | 11/30/01 |
| 4100 Forest Park | 7,000,000 | 12/20/01 |
| Lafayette Square | 2,040,250 | 12/26/01 |
| Tech Electronics | 900,000 | 02/21/02 |
| MLK Development | 2,250,000 | 03/18/02 |
| 4200 Laclede | 925,400 | 06/20/02 |
| Post Office Square | 6,655,220 | 07/23/02 |
| 1505 Missouri | 621,100 | 08/05/02 |
| Grand Center | 79,795,000 | 02/02/02 |
| 1141-1151 S. Seventh St. | 1,136,800 | 12/10/02 |
| Paul Brown / Arcade | 3,264,200 | 12/10/02 |
| 1100 Locust - Louderman Building | 2,444,400 | 12/21/02 |
| 920 Olive / 1000 Locust | 2,667,732 | 12/21/02 |
| Walter Knoll Florist | 1,036,000 | 12/21/02 |
| Grace Loft | 1,550,000 | 02/25/03 |
| 1312 Washington Ave. | 500,000 | 04/25/03 |
| Terra Cotta Annex / Parking | \$3,500,000 | 04/25/03 |
| 1601 Washington | 3,000,000 | 07/23/03 |
| 2500 South 18th Street | 550,000 | 07/23/03 |
| City Hospital Complex | 5,000,000 | 07/23/03 |
| Fashion Square Lofts | 3,700,000 | 07/23/03 |
| Pinter's Lofts | 3,880,000 | 07/24/03 |
| Soulard Market Apartments | 4,800,000 | 07/23/03 |
| Southtown Centre | 7,500,000 | 07/23/03 |
| 1619 Washington | 1,583,379 | 03/10/04 |
| The Security Building | 3,000,000 | 03/10/04 |
| Highland at Forest Park | 2,400,000 | 03/21/04 |
| Catalin Town homes | 415,000 | 03/30/04 |
| Shenandoah Place | 231,540 | 03/30/04 |
| 1133 Washington | 1,100,000 | 08/02/04 |

CITY DEBT

| <u>TIF Project</u> | <u>Estimated TIF Cost</u> | <u>TIF Area Approved</u> |
|------------------------------------|---------------------------|--------------------------|
| Maryland Plaza South | 5,367,052 | 08/05/04 |
| 410 Jefferson (at Locust St.) | 1,525,000 | 08/02/04 |
| Barton Loft (2401 S. 12th St.) | 370,000 | 08/02/04 |
| Warehouse of Fixtures | 6,100,000 | 08/02/04 |
| Maryland Plaza North | 1,033,418 | 08/05/04 |
| Marquette Building | 3,600,000 | 12/22/04 |
| Gaslight Square East | 1,500,000 | 12/22/04 |
| 1136 Washington Ave. | 3,650,000 | 12/22/04 |
| Washington East Condominiums | 1,400,000 | 12/22/04 |
| Bottle District | 41,900,000 | 12/22/04 |
| Automobile Row (Project 1) | 1,800,000 | 12/22/04 |
| Automobile Row (Project 2) | 3,000,000 | 12/22/04 |
| 1300 Convention | 925,000 | 01/03/05 |
| Mississippi Place | 825,000 | 01/03/05 |
| Loughborough Commons | 11,000,000 | 02/28/05 |
| 5700 Arsenal | 1,340,000 | 02/28/05 |
| Adler Loft Condominiums | 1,300,000 | 12/06/04 |
| Dogtown Walk | 415,000 | 02/28/05 |
| East Bank Lofts | 1,414,000 | 02/28/05 |
| Ludwig Lofts | 850,000 | 03/22/06 |
| The Pet Building | 3,300,000 | 04/29/05 |
| Moon Bros. Carriage Company | 1,300,000 | 08/03/05 |
| Switzer Building | 1,500,000 | 08/05/05 |
| 2300 Locust | 1,800,000 | 06/23/05 |
| 1635 Washington | 2,574,000 | 08/05/05 |
| 3949 Lindell | 3,440,000 | 08/05/05 |
| I-70 & Goodfellow (4800-4850) | 5,652,458 | 08/03/05 |
| Ely Walker Lofts (1520 Washington) | 6,000,000 | 08/03/05 |
| West Town Lofts | 2,400,000 | 8/9/2005 |
| Southside National Bank | 1,400,000 | 8/9/2005 |
| Packard Lofts | 1,300,000 | 8/9/2005 |
| Bee Hat Company | 1,500,000 | 8/9/2005 |
| Lindell Condos | 9,500,000 | 1/3/2006 |
| 5819 Delmar | 1,200,000 | 1/3/2006 |
| Delmar East Loop | 6,000,000 | 1/3/2006 |
| 6175-81 Delmar | 2,100,000 | 1/3/2006 |
| Delmar Loop Center North | 1,500,000 | 1/3/2006 |
| Syndicate Trust | 8,200,000 | 1/18/2006 |
| Euclid / Buckingham | 2,500,000 | 3/22/2006 |
| Union Club | 1,900,000 | 3/22/2006 |
| Total | \$444,308,949 | |

CITY DEBT

Principal and Interest Requirements on Direct Debt

as of March 31, 2006

| Fiscal Year | General Obligation Bonds | | |
|-------------|--------------------------|---------------------|---------------------|
| | Principal | Interest | Total |
| 2006-2007 | 3,400,000 | 2,020,000 | 5,420,000 |
| 2007-2008 | 3,570,000 | 1,856,000 | 5,426,000 |
| 2008-2009 | 695,000 | 4,640,000 | 5,335,000 |
| 2009-2010 | 3,085,000 | 1,680,000 | 4,765,000 |
| 2011-2014 | 17,345,000 | 5,262,000 | 22,607,000 |
| 2015-2019 | 17,125,000 | 2,085,000 | 19,210,000 |
| | <u>\$45,220,000</u> | <u>\$17,543,000</u> | <u>\$62,763,000</u> |

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

Debt Ratios

as of March 31, 2006

| | Net Debt Per Capita |
|--------------------------------|------------------------|
| Direct Debt (incl. Lease debt) | \$1,228 |
| Overall Debt | \$1,891 |

Source: City of St. Louis Budget Division: based on 2005 revised U.S. census population of 352,572

Bond Ratings

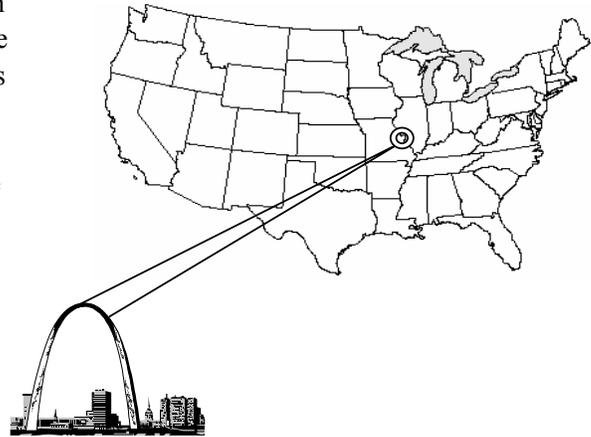
| | |
|-------------------|----|
| Moody's | A3 |
| Standard & Poor's | A |
| Fitch | A- |

The \$45.2 million in outstanding Public Safety General Obligation bonds is the sole outstanding issue of general obligation debt. In November, 2005, City voters approved additional general obligation debt of \$13 million. In total, the City remains well under the 10% cap established by the Missouri Constitution. Overall net debt for the City remains moderate at about \$1,891 per capita. The City's ability to manage its finances and maintain positive fund balances are key to the City's debt issuance policy. On June 2, 2006, Standard and Poor's Ratings Service upgraded the City's credit rating from A- to A with a stable outlook. Fitch Ratings and Moody's Investors Service also affirmed their A- and A3 ratings, respectively, and raised their long-term outlooks from stable to positive on the City's outstanding general obligation bond debt. This is the sixth credit rating upgrade for the City over the last ten years. 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 St. Louis.

CITY OF ST. LOUIS, MISSOURI PROFILE

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 approximately 61.4 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 the laws of the State of Missouri.

The City is popularly known as the "Gateway to 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.



City of St. Louis

| | |
|-----------------------|---------------|
| Date of Incorporation | 1823 |
| City Charter Adopted | 1914 |
| Form of Government | Mayor/Council |
| Population (2000) | 348,189 |



Population (2005) 352,572

City Demographics

Population By Age

| | | |
|-------------------------|----------------|---------------|
| Under 5 | 23,477 | 6.7% |
| 5 to 9 | 26,709 | 7.7% |
| 10 to 14 | 25,014 | 7.2% |
| 15 to 19 | 24,729 | 7.1% |
| 20 to 24 | 26,541 | 7.6% |
| 25 to 34 | 54,395 | 15.6% |
| 35 to 44 | 53,144 | 15.3% |
| 45 to 54 | 41,260 | 11.8% |
| 55 to 59 | 13,466 | 3.9% |
| 60 to 64 | 11,612 | 3.3% |
| 65 to 74 | 23,047 | 6.6% |
| 75 to 84 | 17,482 | 5.0% |
| 85 + | 7,313 | 2.1% |
| Total Population | 348,189 | 100.0% |
| Median Age | 33.7 | |

Sex

| | | |
|--------|---------|-------|
| Male | 163,567 | 47.0% |
| Female | 184,622 | 53.0% |

Race

| | | |
|-------|---------|-------|
| White | 152,666 | 43.8% |
| Black | 178,266 | 51.2% |
| Asian | 6,891 | 2.0% |
| Other | 10,366 | 3.0% |

Hispanic Orig.

| | | |
|---------------|-------|------|
| (of any race) | 7,022 | 2.0% |
|---------------|-------|------|

Educational Achievement (age 25>)

| | | |
|--------------------|--------|-------|
| < 9th Grade | 21,291 | 9.6% |
| 9-12 (no diploma) | 42,424 | 19.1% |
| HS grad (incl GED) | 61,046 | 27.5% |
| College (no deg) | 45,154 | 20.3% |
| Associates | 9,698 | 4.4% |
| Bach. Degree | 25,431 | 11.5% |
| Grad. Degree | 16,907 | 7.6% |

Housing Units

| | |
|-------------------|---------|
| Total | 176,354 |
| Occupied | 147,076 |
| % Owner Occupied | 46.9% |
| % Renter Occupied | 53.1% |

Source: 2000 Census Data

CITY OF ST. LOUIS, MISSOURI PROFILE

City Government By The Numbers

| | | | | | |
|------------------------------|---------|---|----------------------------|--------|---|
| Wards | 28 |  | Parks | 105 |  |
| Precincts | 208 | | Park Acreage | 3,000 | |
| Registered Voters | 217,278 | | Recreation Centers | 9 | |
| Authorized No. Fire Fighters | 631 | | Golf Courses | 3 | |
| Fire Stations | 30 |  | Streets (miles) | 11,100 | |
| Auth. No. Police Officers | 1,300 |  | Alleys (miles) | 400 |  |
| Auth. No. Civ. Police Emp. | 522 | | Intersections w/ Signals | 630 | |
| Police Area Command Bldgs. | 3 | | Street Lights | 57,000 | |
| Airport - Major Airlines | 10 | | Alley Lights | 16,000 | |
| Airport - Commuter Airlines | 14 |  | Easement Lights | 2,100 | |
| Airport - Air Cargo Carriers | 6 | | Water Treatment Plants | 2 |  |
| Airport - Passengers (mil.) | 7.0 | | Mil. Gal. capacity per day | 340 | |
| Aircraft - Operations | 293,474 | | Mil. Gal. storage capacity | 128 | |
| | | | Mil. Gal. daily demand | 152 | |

Sources: Comptroller's Annual Report, City Departments

City Economic and Employment Data

| | | |
|--|-------------|---|
| Per Capita Personal Income 2004: ¹ | \$26,908 | |
| City Labor Force - April 2006 ² | 159,994 | |
| No. Employed - April 2006 | 149,612 | |
| % Unemployed - April 2006 | 6.5% | |
| | |  |
| | |  |
| Total Employment - September 2005 ² | 224,244 | |
| Number of Establments - 3rd Q '05p | 8,082 | |
| Total Wages (in thous) - 3rd Qtr 05p | \$2,531,884 | |
| Avg. Weekly Wage - 2nd Qtr 05p | \$869 | |
| Avg. Annual Pay - 2004 | \$44,154 | |

Source:

¹ U.S. Bureau of Economic Analysis

² U.S. Bureau of Labor Statistics

2005 Top 15

Employers

| <u>Company</u> | <u>Employees</u> |
|--|------------------|
| BJC Health System | 15,059 |
| Washington University | 12,278 |
| St. Louis University | 9,223 |
| City of St. Louis | 9,064 |
| St. Louis Board of Education | 7,649 |
| SBC | 6,405 |
| U.S. Postal Service | 6,400 |
| State of Missouri | 5,582 |
| Tenet Health System | 5,426 |
| Anheuser Busch | 5,022 |
| A.G. Edwards | 5,014 |
| May Company | 4,789 |
| Defense, Finance, & Accounting Service | 3,359 |
| National Finance Center | 3,306 |
| Bank of America | 2,806 |

Source: Comptroller's Annual Report



CITY OF ST. LOUIS, MISSOURI PROFILE

City Building and Construction (Activity in mil. \$)



| | Residential Construction | | Commerical Construction | |
|------|--------------------------|--------------|-------------------------|--------------|
| | <u>New</u> | <u>Rehab</u> | <u>New</u> | <u>Rehab</u> |
| 2001 | \$47.43 | \$157.84 | \$232.05 | \$234.54 |
| 2002 | \$66.44 | \$105.55 | \$93.67 | \$191.00 |
| 2003 | \$113.04 | \$113.55 | \$118.33 | \$228.94 |
| 2004 | \$50.36 | \$112.37 | \$265.47 | \$231.86 |
| 2005 | \$115.86 | \$193.21 | \$113.38 | \$308.33 |

Source: Building Division, City of St. Louis

America's Center - Convention Center

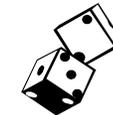
| | |
|------------------------------------|---------|
| Contiguous Exhibit Space - sq. ft. | 502,000 |
| Flexible Meeting Rooms | 84 |
| 3-Level Lecture Hall - Seats | 1,411 |
| Grand Ball Room - sq. ft. | 28,000 |
| Downtown Hotel Rooms (approx.) | 7,600 |



Source: America's Center

Largest Tourist Attractions

| | 2004 <u>Attendance</u> |
|--|---------------------------|
| Jefferson National Expansion Memorial | 3,103,756 |
| Saint Louis Zoo | 3,025,816 |
| St. Louis Cardinals (MLB) | 3,000,000 |
| President Casino St. Louis Riverfront | 1,600,000 |
| St. Louis Science Center | 1,126,000 |
| Missouri Botanical Garden | 870,321 |
| St. Louis Rams | 660,000 |
| City Museum | 638,990 |
| Fox Theatre | 588,871 |
| The Magic House, St. Louis Children's Museum | 479,930 |
| The Muny | 456,142 |
| Saint Louis Art Museum | 421,057 |



Source: St. Louis Business Journal Book of Lists 2006



GLOSSARY

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 mil. per year is to be allocated to the Affordable Housing Trust Fund beginning in FY04.

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.

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.

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.

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 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.



Effectiveness Measure

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

Efficiency Measure

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

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.

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. 27th 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, public safety, neighborhood preservation, development and preservation of affordable and accessible housing and public health care services.

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, effectiveness 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).

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.

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.

Tax Increment Financings

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 27th pay day occurs. With bi-weekly pay periods, a 27th pay day will occur once every 11 years. FY06, the previous fiscal year, contained 27 pays.

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

| | | | |
|----------------|---------------------------------------|--------------|---|
| ADA | Americans with Disabilities Act | EMS | Emergency Medical Service |
| BPS | Board of Public Service | ESD | Equipment Services Division |
| CAFR | Comprehensive Annual Financial Report | HCD | Housing Conservation District |
| CDA | Community Development Agency | ITSA | Information Technology Services Agency |
| CDBG | Community Development Block Grant | ISTEA | Inter-modal Surface Transportation Efficiency Act |
| CEMA | City Emergency Management Agency | LLEBG | Local Law Enforcement Block Grant |
| CIP | Capital Improvement Plan | MBE | Minority Business Enterprise |
| CJC | City Justice Center | MSI | Medium Security Institution |
| COPS | Community Oriented Policing Services | NSO/T | Neighborhood Stabilization Officer/Team |
| CORR | Community Outreach for Risk Reduction | PFPC | Public Facilities Protection Corporation |
| CREA | Civil Rights Enforcement Agency | REJIS | Regional Justice Information Service |
| C&T | Convention and Tourism Fund | SLAA | St. Louis Area Agency on Aging |
| CSB | Citizens' Service Bureau | SLATE | St. Louis Agency on Training and Employment |
| E&A | Board of Estimate and Apportionment | SLDC | St. Louis Development Corporation |



SLPD St. Louis Metropolitan
Police Department

TIF Tax Increment Financing

WBE Women's Business
Enterprise