

## SUMMARY AND OVERVIEW

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### EXECUTIVE SUMMARY

#### **FY2005 Annual Operating Plan**

Each annual operating plan has as its primary task the charge of allocating resources in a manner that furthers City government's mission namely to provide safe neighborhoods, attractive parks and recreation, affordable housing, efficient transportation, a healthy citizenry, a vibrant and diverse economy and an efficient and effective government. This task is made all the more difficult in an environment of rising costs coupled with flat or declining revenues. The challenge in the FY2005 Annual Operating Plan is to address these short term funding challenges while continuing to provide for the City services that are crucial to achieving the long term mission.

The Annual Operating Plan for FY2005 allocates a total amount of \$791.0 million for service delivery and other obligations during the year, a decrease of 4.1% from that of the current year. Decreases in revenues available for support of government operations are evident in not only the general fund but also in dedicated special funds such as government grants and

enterprise functions. At the same time, unavoidable increases in the cost of providing necessary services serve to place additional pressure on the city managers to continue seeking out more efficient ways of providing expected services. The budget recommendations contained in the Annual Operating Plan represent an attempt to reallocate resources in such a way that sufficient funds are available to pay for essential services, that operating costs mandated by state law are properly addressed, and that fixed costs relating to ordinances and contracts are adequately funded. It is also designed to reflect established priorities that encourage city managers to seek ways to reduce costs where possible with as little negative impact as possible on service delivery. Discretionary costs have been held flat and some cases reduced. Some functions have been shifted where it was determined that the shift of responsibility could result in budgetary savings. In other instances, similar functions in separate departments have been combined allowing for the elimination of a layer of administration. Recommended staff reductions in the operating plan were designed to target administrative overhead whenever possible. Increases in the cost for personal

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services have been mitigated by the elimination of any cost-of-living adjustments and the city's decision to seek bids for the provision of employee health insurance. In spite of gains in market value experienced by each of the city's three pension systems, the FY2005 Annual Operating Plan again includes a recommendation that the city continue to appropriate a fixed percentage of covered payroll to each system.

Funds available to support the Plan include grants from federal and state agencies, user fees, and locally generated tax revenues. There are no tax increases anticipated in the recommended plan, however, the plan does include the expected full year impact of adjustments to fees that were instituted during the current year. In addition, the plan is predicated on adoption of an ordinance establishing new regulations with respect to Police activity on business and home alarms that is expected to produce additional revenue. Locally generated revenues are also expected to be positively impacted by the institution of a new parking enforcement program that promises to improve processing and collection functions as well as customer service. Revenue reallocation also figures into the

recommended Plan with a proposal for applying revenues from the one-tenths percent sales tax for metropolitan parks to maintenance of the city's parks along with a proposal to use currently available funds set aside for Forest Park improvements for maintenance of Forest Park. Both these efforts will allow the city to maintain its current level of funding for maintenance of all the city's parks. Without this proposed one time infusion of anticipated revenue, more severe reductions would have been required to maintain a balance between revenue and expenditures. One of the steps taken by the State of Missouri to reduce its own expenses was to adjust the amount of reimbursement it provides to local governments for services imposed by state statutes. This adjustment had the effect of reducing the amount of reimbursement for property tax assessment as well as for the housing of pre-trial inmates and juvenile offenders. The FY2005 Plan incorporates the reduced reimbursement rates and is based on the presumption that additional reductions will not be forthcoming.

As expected in a year when the total budget decreases, there are no areas of the budget where budgeted costs are significantly

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higher than in the current year. However, due to the fact that FY2005 is a year that contains four scheduled citywide elections, the proposed budget for the Board of Election Commissioners is the one exception that does show a year to year increase in recommended funding. Attempts have been made to craft a budget that retains the current level of citizen services. These attempts include consolidation of services across division lines in the case of vehicle maintenance and resorting to more interdepartmental cooperation where such cooperation is deemed to produce cost reductions. With public safety being of great concern, every attempt was made to maintain funding at the current year's level for those departments that most directly deliver public safety services, namely Police, Fire and Courts.

The total budget for FY2005 is \$791.0 million, and is funded by a combination of local tax and fee collections, dedicated funds for the Airport and Water Division enterprise functions, and project specific grants. The vast majority of local taxes and fees collected are used in support of general fund activities. The remaining local collections are deposited in special funds due to legal requirements and

are used to augment the services provided by the general fund. These special funds include those containing the Local Use Tax, Gaming Revenues, Cable Television gross receipts tax, and the Property Tax Assessment subsidy. These amounts are further broken down by departmental activities using specific projects and accounts, with distinctions being made between operating and capital expenditures.

### GENERAL FUND OPERATIONS

The general fund budget in combination with a variety of special funds supports those recurring activities necessary for the operation of City government. These activities are supported by a combination of revenues derived from taxes, fees, fines and intergovernmental transfer payments.

At \$403.1 million, the general fund budget for FY2005 is the largest of the City funding units. In keeping with the City's objective of preserving constituent services, this fund allocates \$225.2 million for public safety functions, including \$134.3 million for police services. The remaining public safety allocation from the general fund provides for fire protection, pre-trial inmate housing,

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emergency medical services, and various permitting and inspection activities. The general fund budget also dedicates funds for the City's neighborhood stabilization efforts through allocations for solid waste collection and disposal as well as for maintenance of streets, alleys, and parks in the amount of \$47.7 million. Debt service payments for large projects funded through lease arrangements are included in the general fund allocation in the amount of \$19.8 million which funds annual lease payments on the Kiel Center, Carnahan Courthouse, and the Convention Center/Stadium complex. Funding for state and municipal court functions and county offices account for an additional \$48.6 million. The remainder of the general fund budget can be categorized as paying for maintenance and operations of buildings, health care services and administrative functions.

### **ENTERPRISE FUND OPERATIONS**

The Water Division and the Airport are the City's two enterprise funds. Allocations for these departments are included in the FY2005 budget at \$48.6 million and \$130.3 million, respectively. The Water

Division receives its income from the sale of water to residents of the City and recently from the sale of water to other municipalities in the metropolitan area. Approximately 8% of the Water Division's budget or \$4.1 million is devoted to retirement of revenue bonds issued for capital improvements to the divisions two treatment facilities and an upgrade of the supporting infrastructure. With a budget of \$130.3 million, the Airport is the City's largest cost center and is supported entirely by user fees paid by airlines and concessionaires, along with federal funds. The FY2005 proposed Airport budget for administrative cost is lower due to the decision by American Airlines to reduce by 51% the number of gates it will operate. Approximately 35% of the airport's budget is devoted to debt service payments on revenue bonds for Airport expansion and to facilitate repair and maintenance of the runways and terminals. The remaining budget amounts provide for the administration and daily operations of both the Airport and Water Division.

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### **FEDERAL AND STATE GRANTS**

Grant funds secured from agencies at both the State and Federal level are included in the adopted Plan in the amount of \$61.1million, a 6% decrease from the current year level. The largest portions of these dollars are used to augment locally funded social service programs and are allocated through the Department of Health and the Department of Human Services. Necessary services are delivered by the City either directly or by contract. In FY2005, \$33.6 million in grant funds will be allocated for use by these two departments. Public safety and neighborhood stabilization issues are addressed with miscellaneous project specific grants administered by the Police Department and the Local Law Enforcement Block Grant. Grants for this category total \$9.1 million in FY2005. The remaining grant funds supplement the City's efforts in the provision of job training services through the St. Louis Agency for Training and Employment and with providing administrative support for the Law Department and the Community Development Agency.

### **CAPITAL IMPROVEMENTS**

The budget allocates \$33.3 million in funds dedicated to equipment purchases and capital improvements. The sources include a dedicated sales tax, a portion of the state gasoline tax, gaming admissions receipts, and interest earnings on invested funds. Projects funded include infrastructure improvements to bridges, streets, and buildings, as well as debt service on previously approved projects such as the Justice Center and Civil Courts Building.

### **OTHER SPECIAL REVENUE FUNDS**

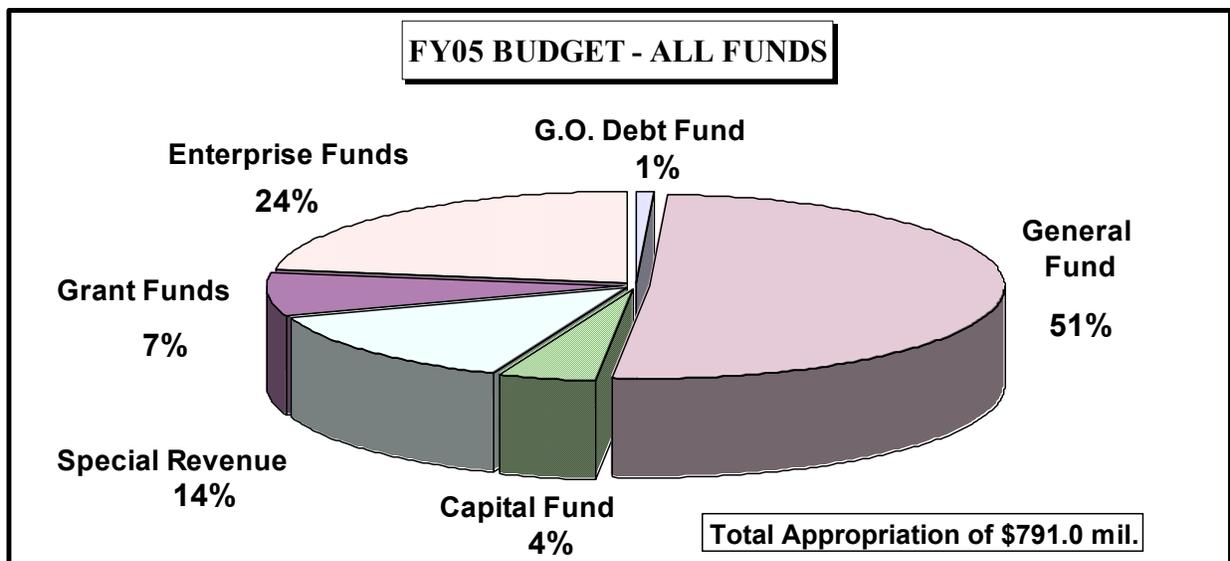
The remaining allocations in the budget are through special funds, the revenues from which are legally required to be accounted for separately from the general fund. This category includes \$25.0 million expected in FY 2005 from the Local Use Tax. Programs funded by the Local Use Tax include health care, building demolition, affordable housing, police services, and neighborhood preservation. This budget also allocates \$6.7 million from gaming operations which is used for capital improvements and enhancing the safety of the public visiting the riverfront.

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Other functions for which special revenue funds are allocated in this budget include maintenance of improvements in Forest Park, demolition of condemned buildings, and repair of sewer lines. The graph below

illustrates the total budget distributed among fund groups. The following page presents a summary of highlights of the FY2005 Annual Operating Plan



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### Highlights of the FY2005 Operating Plan

- \$1.1 million in additional salary savings due to elimination of merit pay increases in FY05
- \$2.4 million increase in allocation for health insurance costs for City employees
- \$5.7 million in remaining justice center project funds for general fund portion of Justice Center Debt
- \$2.0 million in unappropriated capital revenues to pay general fund portion of Courthouse debt
- \$2.0 million in staff reduction and other savings related to an operational review of Correctional Facilities
- \$1.0 million in savings in Fire Department overtime and salary costs due to staffing and scheduling initiatives
- \$1.5 million in estimated Health Division costs savings in effort to more effectively coordinate with community health resources
- \$1.1 million increase in Board of Election for four city-wide elections
- \$1.7 million in revenue due to imposition of new alarm fee ordinance
- \$8.5 million increase in Convention Center debt after one-time refinancing reduction in FY04
- \$1.6 million Metro Parks sales tax revenues allocated for park maintenance
- \$750,000 estimated increase in general fund parking revenues related to new parking violation collection initiative
- \$600,000 in estimated savings due to consolidation of ESD facility and sedan maintenance with Police department garage
- In excess of \$250,000 in annual Street Department savings due to state assuming maintenance of certain City streets
- Net reduction of 271 general fund positions and 319 positions from all funds

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The FY2005 Annual Operating Plan includes funds for scheduled debt service obligations on several large construction projects initiated in previous fiscal years. These include the Justice Center, Kiel Center, and the Convention Center and Stadium Complex. In addition to the construction projects noted above, the City has also issued lease debt for repairs and improvements at the Carnahan and Civil courthouses. Required annual payments for these projects are included in the Plan, along with payments for a lease purchase of rolling stock and a general obligation bond issue that provided for the replacement of firefighting equipment along with other public safety initiatives. Projects developed using Tax Increment Financing, with loan repayments generated by the project are also included in the budget.

Social Service initiatives funded in this budget are found in the Department of Health & Hospitals and the Department of Human Services. These funds whether generated locally or as the result of federal or state grants, have been distributed in a manner which seeks to ensure that these services are available to all who are in need. Health and

Human Services program spending is supported by \$14.8 million in local funds and \$33.6 million in federal and state grants.

The Department of Public Safety has been given additional responsibilities in the area of lead poisoning prevention. The Building Division will take over performance of inspections aimed at detecting the presence of lead based paint in residential housing units as well as monitoring of the abatement process in affected units. Also in the public safety arena, staffing levels for firefighters and emergency medical service personnel has been retained at the current year's level. Uniformed police officer staffing is expected to gradually diminish during the fiscal year through attrition by approximately eighty officers to 1,325 by the end of FY2005. The result of this action is that the city will no longer participate in the COPS program administered by the Department of Justice. The FY2005 plan allocates additional funds through the Capital Budget for major street and bridge projects while the general fund budget maintains residential and commercial area street maintenance along with refuse collection and disposal.

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The allocation of funds for maintenance of city owned parks has been retained at the current year's level and is contingent on approval of the proposal to transfer proceeds generated by the one-tenth percent parks sales tax in FY2005 to the general fund and to use funds on deposit in the Forest Park special account for purposes of providing enhanced services in Forest Park. Recreation programming will continue to be offered at the existing ten centers located throughout the City.

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### SUMMARY

In summary, the total budget appropriation for FY2005 is \$791.0 million. Over 50%, or \$403.1 million, is appropriated from general revenue to pay for day-to-day City operations. City general funds are supplemented by approximately \$61.1 million in grants from State and Federal Sources. The remainder of the budget comes from a variety of special and enterprise funds maintained by the City in compliance with specific ordinances or agreements. The allocation of these funds is designed to make the City of St. Louis a more desirable place to live, work and do business. The allocation also reflects the City administration's goal of providing an effective and responsive City government as well as one that can deliver a wide range of recreational, entertaining, and cultural experiences. The service enhancements and infrastructure improvements funded in this plan will promote growth in future economic activity, which will in turn produce tangible results in jobs and fiscal stability.

### GENERAL FUND OVERVIEW

#### Sources of Funds

The revenue available to appropriate for general fund obligations in FY2005 amounts to \$403.1, a decrease of 2% from the current year's budget amount. This amount includes one-time revenues of \$2.9 million, the majority of which represents a reallocation of sales tax revenues which in previous years was used for capital projects in city parks. The estimated revenue also presumes adoption of an ordinance regulating the use of burglar alarms the purpose of which is to assess fines for excessive false alarms. Employment and gross receipts based taxes which were forecast to exhibit modest growth in the current fiscal year have remained flat, necessitating mid year revenue adjustments. The FY2005 estimates incorporate the reduced bases and in some instances extend the pessimistic outlook into the next fiscal year.

Earnings and Payroll tax revenue continue to be the most significant revenue source and is expected to account for 38% of all general fund revenue in FY2005. Compared to the revised estimate for the

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current year, growth in these two sources is forecast at slightly more than 1.0%. Property tax revenue is forecast to increase by 4.6% reflecting increased assessed value of real estate in the City.

General sales tax revenues are not forecast to exhibit growth and are in fact expected to continue the downward trend that started in FY2002. Gasoline tax revenue is a function of the number of gallons purchased in the state and has remained virtually flat. The estimate for FY2005 presumes a continuation of this trend.

Franchise and Utility tax revenue is forecast to decrease by approximately \$0.7 million, or 1.4% compared to the revised estimate for the current year which benefited from an unusually prolonged heating season. The estimate does not anticipate any significant changes in seasonal weather patterns nor does it incorporate the effect of any rate changes that may be granted by the Public Service Commission. Total revenues from licenses issued by the License Collector are forecast to increase by 3.5% overall with the greatest impact coming from those licenses that are based on gross receipts. This

category includes licenses fees from admissions to sporting events, operation of parking garages, and the gross receipts tax on restaurants and hotel rooms. The estimate also presumes that the License Collector will end the practice of retaining 200% of previous year expenses as operating capital, and will instead relinquish surplus revenues in excess of 50% of the previous year's expenses to the general fund.

In addition to the one-time revenues alluded to earlier resulting from reallocation of dedicated sales tax revenues, the estimate also presumes passage of an ordinance authorizing fines for excessive false alarms. This ordinance is estimated to provide an additional \$1.7 million in FY2005 and be a recurring source of revenue thereafter. Departmental revenues will be enhanced by adoption of a new parking violations program targeted at improving collections which is expected to add \$0.8 million in FY2005 and to increase in subsequent years.

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### Uses of Funds

The FY2005 Annual Operating Plan includes a General Fund budget that seeks to provide for continued and enhanced neighborhood stabilization and an allocation scheme designed to ensure that City departments charged with service delivery are provided with the necessary resources to fulfill their missions. Major highlights that differentiate this year's plan from that of last year have been identified in a previous table. These include the allocation of funds sufficient to meet the City's debt service requirements, as well as other contractual obligations.

The FY2005 general fund budget includes the impact of previously granted pay adjustments but does not anticipate any cost of living pay adjustments in the coming year. The budget also accommodates an increase of approximately 22% in the cost of employee health insurance along with contributions amounting to 6% of payroll costs to each of the City's three pension systems. Allocations for worker compensation claims have been increased to reflect recently established patterns. In recognition of the fact that more

layoffs are likely in the next fiscal year, the allocation for unemployment compensation has been maintained at a level that reflects recent payment history.

Constituent services that have historically been provided are funded at current levels with any enhancements expected to come from operational efficiencies. The recommended allocation for the Department of Streets will allow for maintaining existing schedules for residential and commercial area street cleaning. Refuse collection schedules are also maintained at the current twice weekly pace. Similarly, allocations to the Department of Parks, Recreation, and Forestry will provide sufficient funds to continue maintenance of vacant lots and buildings throughout the year with increased frequency of visits during the growing season. The Plan as recommended also maintains the city's emphasis on ultimately providing a lead-safe environment in its housing stock. The Department of Public Safety will assume the lead in detection and abatement of hazardous amounts of lead-based paint in residential housing. Treatment of individuals found to have elevated blood levels of lead continues

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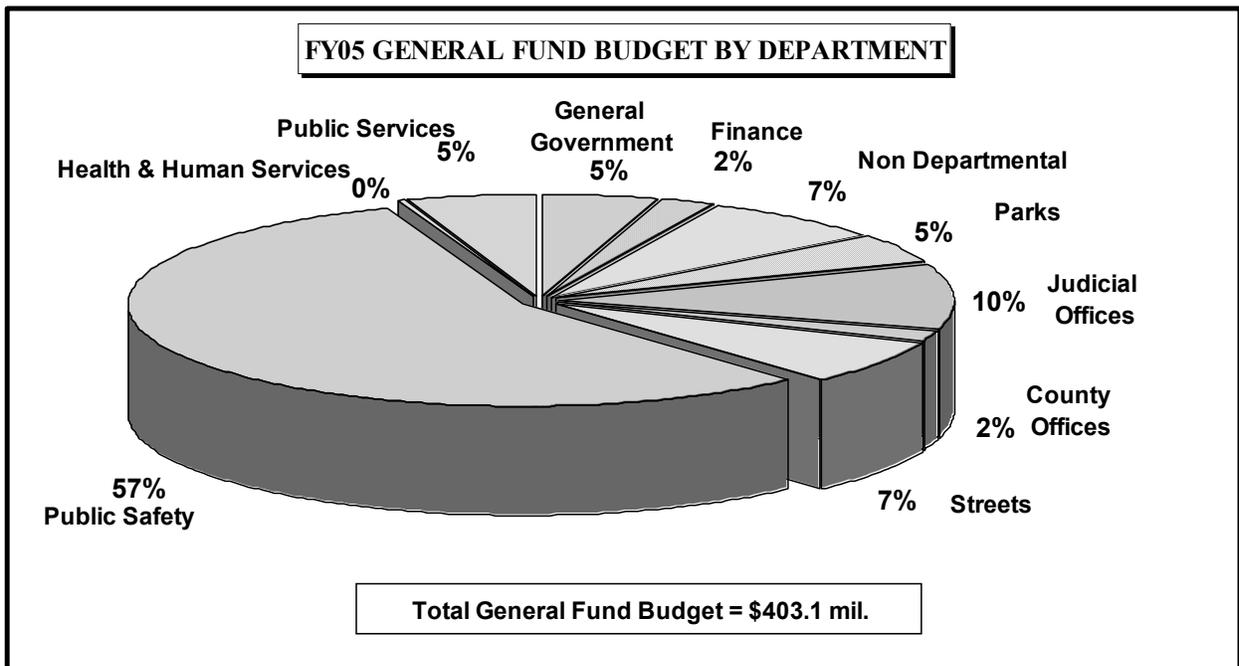
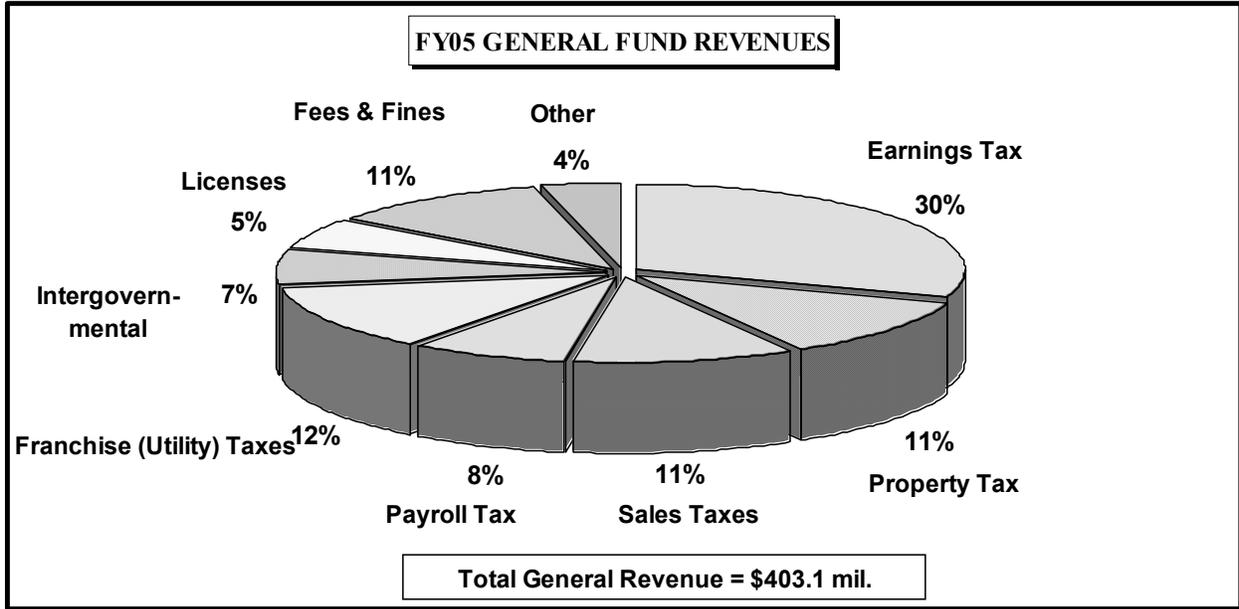
to be the responsibility of the Division of Health.

The general fund budget as recommended is in balance with expected revenues. However, a balanced budget in FY2005 relies on the use of non-recurring revenues mentioned previously and adoption of new legislation that will generate additional income. One-time revenues in this budget are used to continue to provide needed City services in this period of economic uncertainty.

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The following charts illustrate the sources and uses of funds.



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### Projected Operating Results

Based on the expected operating revenue and the appropriations previously identified, the operating revenues will approximately match the adopted budget.

The table below shows the expected results from operations in FY2005.

Estimated Revenue	\$403,127,000
General Fund Appropriations	403,081,949
Results from operations	<u>\$ 45,051</u>

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### CAPITAL IMPROVEMENTS

The City of St. Louis Capital Committee has developed a five-year Capital Improvements Plan containing projects that have an estimated cost of \$400 million. These projects will be funded through a combination of local, state and federal funds. Over the five year period, an estimated \$197 million will be appropriated for cash payments and debt service requirements, and in some cases the local matching share for road and bridge repair projects and major flood protection projects. The FY2005 Capital Budget funds the first year of the plan with a recommended appropriation of \$33.3 million. Sales taxes for capital improvement will generate \$15.7 million in FY2005 or approximately 47% of the total revenue. Other revenues supporting the capital budget include \$3.3 million from asset sales, \$3.7 million from projected gaming revenues, \$1.5 million from court fees, and 5.8 million from the Justice Center construction account made available following completion of the project.

Capital expenses planned for FY2005 include those for projects designed to further the City's goal of stabilizing neighborhoods as

well as increasing the efficiency of service delivery through replacement of vital equipment required to deliver those services. Also included are funds necessary to comply with federal mandates regarding environmental hazards such as lead and asbestos abatement, and treatment of former underground tank sites. In accord with established policy, the plan proposes maximum funding of approved road and bridge projects that are 80% federally funded. The major categories of planned capital expenses are presented below:

#### **Ward Improvements - \$7.5 million**

Each of the City's 28 wards will be allocated \$269,300 for projects such as neighborhood park improvements, street resurfacing, street lighting enhancements, and refuse container replacement. Actual projects were recommended by the ward alderman subject to approval by the Board of Estimate and Apportionment.

#### **Major Parks and Recreation Centers – \$3.0 million:**

The City's six major parks, Forest, Tower Grove, Carondelet, Fairgrounds, O'Fallon, and Willmore will share \$2.5 million. Planned projects include roadway

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repairs, skating rink renovations, and improvements to tennis courts. A total of \$0.5 million will be expended on recreation centers for upgrades to facilities and building modifications to comply with ADA standards.

### **Facility Improvements - \$17.2 million:**

Funds categorized as being for facility improvements will service previously incurred debt for construction and renovations of several City facilities. In addition, improvements are planned for several other City facilities including Municipal Garage, City Hall, and at both the north and south refuse transfer facilities.

### **Equipment Replacement - \$1.1 million:**

Planned expenditures include replacement of rolling stock necessary to the refuse collection, street cleaning, and animal regulation functions. A line of credit has been obtained and will be used for a replacement of rolling stock up to the existing available balance. Replacement and upgrading of computer and communication equipment is authorized up to \$0.3 million.

**Bridge & Street Improvements - \$2.1 million:** Eight bridge and street improvement

projects are funded in conjunction with the federal ISTEA program. The City's share of those projects averages 20% of the total cost. This category also includes funds for unforeseen bridge repairs, which are not eligible for the federal cost sharing arrangement, as well as any planned arterial street resurfacing.

## **BUDGET FORMAT**

The remainder of this budget document is divided into the following sections:

**Budget Overview:** This section provides a more detailed discussion of the City's projected revenues and expenditures. The discussion includes an overall economic outlook for the City and includes summary tables illustrating projected revenues and appropriations for all funds.

**Department and Program Budgets:** This section is divided by major City departments. Each department begins with a summary of budget statistics and is followed by division and program budgets within each department. The division and program budgets are presented in a format that contains narrative

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information about respective programs and identifies outputs and projected performance levels.

**Capital Improvements:** The City's FY2005 Capital Budget and Capital Improvement Plan are presented in this section. A detailed discussion of the five-year plan and description for each capital project are being submitted under a separate cover.

**Appendix:** The appendix includes supplemental information about the City and its budget including debt issues, the budget process, trends in personnel, etc.

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### **BUDGET OVERVIEW**

This section presents summary information on the FY2005 Annual Operating Plan for the City of St. Louis. The discussion that follows describes the economic outlook for the City and region in the context of both the national and state perspective and presents a comprehensive review of the general operating fund budget as well as for enterprise and special revenue funds. Also presented in this section are summary tables of sources and uses of funds for all fund groups and descriptions of the major sources of revenue for FY2005.

### **ECONOMIC OUTLOOK**

#### **U.S. Economy and Outlook**

As measured by real Gross Domestic Product, (GDP), the United States economy has shown signs of emerging from recession. Real GDP growth resumed in 2002 and when final numbers are revealed for 2003, they are expected to show growth of 3.1%. The inflation rate as measured by the Consumer Price Index, (CPI) is expected to exhibit growth of 2.3% for the same

period. Both these measures are low by historical standards and indicate that the national economy is growing, albeit at a slow pace.

Looking ahead, the expectation is for continued improvement over the next two years. For Fiscal Years 2004 and 2005, the Macroeconomic Advisers forecast is for real GDP to grow 4.6 percent and 4.4 percent, respectively. The inflation rate is expected to be 1.8 and 1.3 percent in the two years. Improvement in the national economy is dependent on sustaining the current stock market recovery, continued strength in consumer spending, and accelerated business hiring, all of which should lead to enhanced capital spending.

#### **The Missouri Economy and Outlook**

As is the case with the national economy, the Missouri economy has begun to show signs of recovery. The Missouri unemployment rate has improved by 10% in the one year period ending in November 2003.

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The slowly improving economy has also boosted the rate of growth in Missouri personal income. A modest rebound in the states economic fortunes is expected due in part to the state's diversified economy which maintains a strong presence in health care services, agriculture, and the travel and leisure industry. As the national economy rebounds, growth in the Missouri economy will likely follow suit.

### **St. Louis Economic Outlook**

The City of St. Louis is the core of an eleven county metropolitan area covering parts of both Missouri and Illinois, and as such is the employment and entertainment center of an area containing a population of 2.6 million residents. It is also the office center of the region with over 24 million square feet of office space. The metropolitan area and the City are major industrial centers in the Eastern Missouri – Southwestern Illinois area with a broad range of industries. Although the distribution of jobs across industry sectors has resulted in a decline in the City's share, the City remains a significant source of employment in the region with nearly 20% of all the jobs. Job growth in the

City has been concentrated in the service sector since the City is growing as a service center and the outlook is for long-term employment growth in the areas of medical, business, and recreational services, as well as in education and tourism.

The unemployment rate in both the City and the metropolitan area has decreased, according to information from the Missouri Department of Economic Development. The implication is the impact of the recession on employment has been distributed throughout the area rather than being disproportionately borne by the City. The level of retail activity in the City has continued to decline over the last year as evidenced by sales tax collections and that fact is reflected in the FY2005 revenue estimates. However, the latest information on tax assessments show that property values in the City continue to appreciate fueled by new construction and phasing out of assessment abatements. This positive change is indicative of continuing investment in the City and is expected to lead in the City's economic recovery.

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Through the provision of City services, maintenance of infrastructure and promotion of tourism and business development, the City will be assured of its continuing role as the region's economic center.

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### FY2005 OPERATING PLAN

#### FUND GROUPS

The total appropriation for the City of St. Louis for FY2005 totals \$791.0 million. In addition to this appropriation, there are funds such as the Community Development Block grant and the Street Improvement funds among others that are appropriated separately.

The following is a brief description of the major funds subject to appropriation followed by tables illustrating recent revenue and expenditure history as well as projected performance in FY2005.

#### **General Fund**

The General Fund is the general operating fund of the City and accounts for all financial transactions not required to be accounted for in another fund. General Fund expenditures account for about one-half of all City expenditures. As the general operating fund, general fund revenues pay for the majority of services delivered to and paid for by citizens. These include administrative costs as well as more visible services such as police and fire protection, emergency and

other medical services and maintenance of parks and streets.

#### **Special Revenue Funds**

Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Funds contained in this category include, government grants, the convention and tourism fund, gaming fund, assessment fund, lateral sewer fund, capital funds, tax increment financing funds, transportation fund and other miscellaneous special funds. The debt service fund is used to account for revenues and expenses related to the City's general obligation (property tax supported) debt and is also included as a special fund. Two other funds are included in this group for illustrative convenience. The City's mail room service operates as an internal service fund in that it provides mail service to departments on a reimbursement basis. The employee benefits fund is an agency fund in that it administers expenditures for the City's various health plans funded by appropriations from other City funds as well as contributions from City employees.

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### **Enterprise Funds**

Enterprise funds are 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 (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The enterprise funds in the operating plan are the Water Division and Airport operations. The Parking Meter Division is also operated as an enterprise fund and is separately appropriated

Detailed descriptions of funds within each of these fund groups can be found in the glossary in the Appendix of these documents.

The tables on the following pages contain summary budget information for all funds. A more detailed discussion of the general fund budget and descriptions of trends in major sources of revenue follow.

**FY05 BUDGET SUMMARY - ALL FUNDS**  
**(in millions)**

Fund	FY03 Actual	FY04 Budget	FY05 Budget	Percent Change FY04-05
<b>General Fund</b>	\$403.5	\$411.3	\$403.1	-2.0%
<b>Special Revenue Funds</b>				
Debt Service Fund	\$5.6	\$5.7	\$5.7	-0.7%
Capital Fund	\$39.8	\$33.9	\$34.8	2.6%
Assessment Fund	\$4.0	\$3.8	\$4.0	5.8%
Employee Benefits Fund	\$34.4	\$36.6	\$41.2	12.4%
Convention and Tourism Fund	\$3.7	\$3.9	\$4.1	5.8%
Lateral Sewer Fund	\$3.1	\$3.4	\$3.2	-7.5%
Cable Communications Fund	\$1.8	\$1.7	\$1.4	-20.4%
Port Authority	\$4.8	\$3.5	\$3.4	-4.0%
Riverfront Gaming Fund	\$6.8	\$5.2	\$4.9	-6.2%
Convention and Sport Facility Trust Fund	\$5.5	\$6.1	\$5.8	-3.9%
Health Care Trust Fund (Use Tax Fund)	\$5.1	\$5.0	\$5.0	0.0%
Other Special Revenue Funds	\$17.0	\$16.8	\$15.3	-9.2%
	\$131.6	\$125.7	\$128.6	2.4%
<b>Grant Funds</b>				
St. Louis Agency on Training and Employment	\$0.3	\$7.9	\$8.3	4.1%
Community Dev. Planning & Administration	\$5.6	\$4.8	\$4.7	-3.8%
Health and Human Services	\$18.8	\$49.3	\$31.0	-37.2%
Police Department	\$6.1	\$8.7	\$6.6	-24.7%
Other Grants	\$0.1	\$15.9	\$30.0	88.7%
	\$30.8	\$86.7	\$80.4	-7.2%
<b>Enterprise Funds</b>				
Water Division	\$42.9	\$48.0	\$48.6	1.3%
Airport Authority	\$192.8	\$153.3	\$130.3	-15.0%
	\$235.6	\$201.3	\$178.9	-11.1%
<b>Total General Appropriation</b>	<b>\$801.5</b>	<b>\$824.9</b>	<b>\$791.0</b>	<b>-4.1%</b>
<b>Separate Appropriations <sup>1</sup></b>				
Community Development (Net Planning/Adm.)	\$31.4	\$29.6	\$33.9	14.4%
Street Improvement Fund	\$4.7	\$5.0	\$4.5	-10.0%
Parking Division Funds	\$10.8	\$10.3	\$11.5	11.4%
Transportation Trust Funds	\$31.0	\$28.6	\$28.6	0.0%
	\$78.0	\$73.6	\$78.5	6.7%
<b>Total Appropriations</b>	<b>\$879.5</b>	<b>\$898.5</b>	<b>\$869.5</b>	<b>-3.2%</b>

<sup>1</sup> CDBG & housing grants and Street Improvement funds appropriations are for calendar years 2002, 2003, and 2004 and are appropriated separately. Spending for any one grant year appropriation may occur over a period of several years.

**FY05 REVENUE SUMMARY - ALL FUNDS**  
(in millions)

	FY03 Actual	FY04 Revised	FY05 Budget	Percent Change FY04-05
<b>General Fund</b>				
Earnings Tax	\$122.2	\$119.9	\$121.9	1.6%
Property Tax	42.5	44.0	46.0	4.6%
Sales Tax	46.3	44.8	43.9	-2.1%
Payroll Tax	31.9	31.6	31.6	0.0%
Franchise (Utilities) Taxes	52.2	51.0	50.3	-1.4%
License Fees	22.2	22.9	23.5	2.8%
Grants & Intergovernmental Revenues	22.9	25.6	26.3	2.8%
Department User Fees and Fines	32.3	38.1	43.5	14.2%
Transfers	21.9	13.0	16.2	24.3%
	\$394.3	\$390.8	\$403.1	3.1%
<b>Special Revenue Funds</b>				
Property Tax	\$7.2	\$6.8	\$6.8	-0.4%
Franchise (Utilities) Taxes	4.5	4.4	4.5	0.9%
Local Use Tax	24.4	25.1	25.0	-0.4%
Other Taxes	14.0	11.8	11.9	0.9%
Grants & Intergovernmental Revenues	52.0	72.3	70.0	-3.2%
Department User Fees and Fines	36.8	43.1	49.9	15.8%
Transfers	1.9	2.1	1.3	-38.6%
Fund Balances and Other Resources	6.0	3.3	5.6	68.9%
	\$146.8	\$168.9	\$174.9	3.6%
<b>Capital Improvements Funds</b>				
1/2 Cent Sales Tax	\$16.8	\$16.3	\$15.7	-3.7%
Metro Parks Sales Tax	1.5	1.5	0.0	-100.0%
Grants & Intergovernmental Revenues	4.0	1.0	0.6	-39.6%
Department User Fees and Fines	1.7	1.7	1.5	-11.8%
Transfers	9.2	12.5	9.5	-24.2%
Other Resources	0.5	0.6	3.3	500.0%
Balances / Surpluses Previous Years	6.3	0.1	2.7	3250.0%
	\$40.0	\$33.7	\$33.3	-1.2%
<b>Enterprise Funds</b>				
Franchise (Utilities) Taxes	\$3.7	\$4.0	\$4.0	0.0%
Enterprise Revenues	210.7	202.4	193.8	-4.2%
	\$214.4	\$206.4	\$197.8	-4.2%
<b>Total General Appropriation</b>	<b>\$795.5</b>	<b>\$799.7</b>	<b>\$809.1</b>	<b>1.2%</b>
<b>Funds Appropriated Separately</b>				
Community Development (CDBG) & Housing Grants *	\$44.1	\$29.6	\$27.9	-5.5%
Street Improvement Fund	4.4	4.2	4.5	6.9%
Parking Division Revenues	10.6	10.3	11.5	11.5%
Transportation Fund Revenues	25.5	28.6	28.6	0.1%
(* excluding CDBG admin. portion included in general appropriation)	\$84.6	\$72.7	\$72.6	-0.2%
<b>Total All Sources</b>	<b>\$880.1</b>	<b>\$872.4</b>	<b>\$881.6</b>	<b>1.1%</b>

**FY05 BUDGET - ALL FUNDS  
BY DEPARTMENT**

Department	General Fund	Special Funds Revenue	Special Funds Grant	Enterprise Funds	Total Funds
<b>GENERAL GOVERNMENT</b>					
110 Board of Aldermen	2,309,550	-	-	-	2,309,550
120 Mayor's Office	1,832,018	-	54,214	-	1,886,232
121 St. Louis Agency on Training and Emp.	-	-	8,261,843	-	8,261,843
123 Department of Personnel	2,780,323	-	-	-	43,939,839
Employee Benefits Fund	-	41,159,516	-	-	-
124 Register	149,472	-	-	-	149,472
126 Civil Rights Enforcement Agency	393,737	-	63,649	-	457,386
127 Information Technology Service Agency	4,697,631	133,037	-	-	4,830,668
137 Budget Division	642,891	-	-	-	642,891
139 City Counselor	5,685,813	-	797,403	-	6,483,216
141 Planing and Urban Design	-	-	1,570,000	-	1,570,000
142 Community Development Administration	-	-	3,084,693	-	3,084,693
143 Affordable Housing Commission	-	7,498,661	-	-	7,498,661
<b>Subtotal</b>	<b>18,491,435</b>	<b>48,791,214</b>	<b>13,831,802</b>	<b>-</b>	<b>81,114,451</b>
<b>FINANCE</b>					
160 Comptroller	7,131,240	-	-	-	10,320,940
Lateral Sewer Fund	-	59,300	-	-	-
Tax Increment Financings	-	1,959,662	-	-	-
Trustee Lease Fund	-	526,900	-	-	-
Grant and Other Funds	-	643,838	-	-	-
162 Municipal Garage	257,887	-	-	-	257,887
163 Microfilm	293,317	-	-	-	293,317
170 Supply Commissioner	556,026	-	-	-	556,026
171 Multigraph	1,241,148	-	-	-	1,241,148
172 Mail Room	-	828,725	-	-	828,725
180 Assessor	-	3,988,966	-	-	3,988,966
<b>Subtotal</b>	<b>9,479,618</b>	<b>8,007,391</b>	<b>-</b>	<b>-</b>	<b>17,487,009</b>
<b>NON-DEPARTMENTAL</b>					
190 City Wide Accounts	30,158,064	-	-	-	38,483,064
Convention and Tourism Fund	-	4,100,000	-	-	-
Riverfront Gaming Fund	-	4,225,000	-	-	-
<b>Subtotal</b>	<b>30,158,064</b>	<b>8,325,000</b>	<b>-</b>	<b>-</b>	<b>38,483,064</b>
<b>PARKS, RECREATION &amp; FORESTRY</b>					
210 Director, Parks, Recreation and Forestry	400,939	-	800,000	-	1,200,939
213 Division of Recreation	2,057,572	-	-	-	2,057,572
214 Division of Forestry	6,486,646	-	114,261	-	6,600,907
220 Division of Parks	9,030,631	-	110,186	-	9,140,817
250 Tower Grove Park	696,000	-	-	-	696,000
<b>Subtotal</b>	<b>18,671,788</b>	<b>-</b>	<b>1,024,447</b>	<b>-</b>	<b>19,696,235</b>
<b>JUDICIAL OFFICES</b>					
310 Circuit Clerk	1,237,737	-	-	-	1,237,737
311 Circuit Court	6,996,117	-	-	-	6,996,117
312 Circuit Attorney	5,533,806	2,685,132	205,926	-	8,424,864
313 Board of Jury Supervisors	1,418,572	-	-	-	1,418,572
314 Probate Court	88,950	-	-	-	88,950
315 Sheriff	7,478,042	-	-	-	7,478,042
316 City Courts	2,652,043	30,402	-	-	2,682,445
317 City Marshal	1,095,722	-	76,824	-	1,172,546
320 Probation and Juvenile Detention Center	14,468,960	-	-	-	14,468,960
321 Circuit Drug Court	290,770	-	-	-	290,770
<b>Subtotal</b>	<b>41,260,719</b>	<b>2,715,534</b>	<b>282,750</b>	<b>-</b>	<b>44,259,003</b>
<b>COUNTY OFFICES</b>					
330 Tax Equalization Board	10,400	-	-	-	10,400
331 License Collector	-	5,815,000	-	-	5,815,000
333 Recorder of Deeds	2,224,483	-	-	-	2,224,483
334 Board of Election Commissioners	3,185,177	-	-	-	3,185,177
335 Medical Examiner	1,559,155	-	125,000	-	1,684,155
340 Treasurer	610,719	-	-	-	610,719
<b>Subtotal</b>	<b>7,589,934</b>	<b>5,815,000</b>	<b>125,000</b>	<b>-</b>	<b>13,529,934</b>

**FY05 BUDGET - ALL FUNDS  
BY DEPARTMENT**

Department	General Fund	Special Funds Revenue	Grant	Enterprise Funds	Total Funds
<b>PUBLIC UTILITIES</b>					
401 Cable Communications	-	1,250,894	-	-	1,250,894
414 Soulard Market	241,030	-	-	-	241,030
415 Water Division	-	-	-	48,649,195	48,649,195
420 Airport Authority	-	-	-	130,254,276	130,254,276
<b>Subtotal</b>	<b>241,030</b>	<b>1,250,894</b>	<b>-</b>	<b>178,903,471</b>	<b>180,395,395</b>
<b>STREETS</b>					
510 Director of Streets	994,880	-	-	-	4,366,699
Lateral Sewer Fund	-	3,371,819	-	-	-
511 Traffic and Lighting	7,757,030	0	-	-	7,757,030
513 Auto Towing and Storage	1,635,988	-	-	-	1,635,988
514 Street Division	6,058,709	-	-	-	6,058,709
516 Refuse Division	12,854,738	-	1,463,073	-	14,317,811
520 Port Authority	-	3,388,000	-	-	3,388,000
<b>Subtotal</b>	<b>29,301,345</b>	<b>6,759,819</b>	<b>1,463,073</b>	<b>-</b>	<b>37,524,237</b>
<b>PUBLIC SAFETY</b>					
610 Director of Public Safety	727,120	-	-	-	727,120
611 Fire Department	47,045,101	25,000	-	-	47,070,101
612 Firefighter's Retirement System	4,675,995	-	-	-	4,675,995
616 Excise Commissioner	331,674	-	-	-	331,674
620 Building Commissioner	7,064,655	4,750,832	6,222,641	-	18,038,128
622 Neighborhood Stabilization	1,795,290	-	2,673,724	-	4,469,014
632 Medium Security Institution	15,337,280	81,777	100,039	-	15,519,096
633 City Justice Center	13,931,452	-	-	-	13,931,452
650 Police Department	129,871,255	1,759,000	6,567,500	-	138,197,755
651 Police Retirement System	4,406,354	-	-	-	4,406,354
<b>Subtotal</b>	<b>225,186,176</b>	<b>6,616,609</b>	<b>15,563,904</b>	<b>-</b>	<b>247,366,689</b>
<b>HEALTH AND HOSPITALS</b>					
700 Director, Health and Hospitals	-	828,462	636,111	-	1,464,573
710 Health Commissioner	-	1,193,174	-	-	1,193,174
711 Communicable Disease Control	-	1,758,704	8,581,492	-	10,340,196
713 Public Health Laboratory	-	572,713	-	-	572,713
714 Animal Regulation Center	-	933,723	33,884	-	967,607
715 Community Sanitation and Vector Control	-	1,704,267	1,308,187	-	3,012,454
716 Lead Poisoning Control	-	127,822	797,237	-	925,059
719 Immunization Service	-	613,169	1,300,677	-	1,913,846
720 Food Control	-	637,290	52,889	-	690,179
737 Health Care Trust Fund	-	-	5,000,000	-	5,000,000
<b>Subtotal</b>	<b>0</b>	<b>8,369,324</b>	<b>17,710,477</b>	<b>-</b>	<b>26,079,801</b>
<b>HUMAN SERVICES</b>					
800 Director of Human Services	1,326,982	266,117	21,473,463	-	23,066,562
<b>Subtotal</b>	<b>1,326,982</b>	<b>266,117</b>	<b>21,473,463</b>	<b>-</b>	<b>23,066,562</b>
<b>BOARD OF PUBLIC SERVICE</b>					
900 President, Board of Public Service	3,017,039	197,084	-	-	3,214,123
903 Facilities Management	8,783,701	-	-	-	8,783,701
910 Equipment Services Division	9,376,968	-	-	-	9,376,968
930 Soldier's Memorial	197,150	-	-	-	197,150
<b>Subtotal</b>	<b>21,374,858</b>	<b>197,084</b>	<b>-</b>	<b>-</b>	<b>21,571,942</b>
<b>CAPITAL IMPROVEMENTS FUND</b>					
	-	34,794,490	-	-	34,794,490
<b>DEBT SERVICE FUND</b>					
	-	5,664,698	-	-	5,664,698
<b>TOTAL BUDGET</b>	<b>\$403,081,949</b>	<b>\$137,573,174</b>	<b>\$71,474,916</b>	<b>\$178,903,471</b>	<b>\$791,033,510</b>

**FY05 BUDGET SUMMARY BY FUND (in million \$)**

Sources and Uses	Convention										SLATE
	General Fund	Local Use Tax Fund	Tourism Fund	Convention & Sports Facility Trust Fund	Assessment Fund	1116 Special Funds	Communications Fund	Lateral Sewer Fund	Riverboat Gaming Fund		
<b>Projected Beginning Fund Balance</b>	\$11,300	\$6,589	\$0,155	\$0,000	\$0,486	\$5,314	\$0,421	\$2,747	\$0,699		n/a
<b>Revenues</b>											
Earnings Tax	121,850	--	--	--	--	--	--	--	--	--	--
Property Tax	45,997	--	--	--	1,100	--	--	--	--	--	--
Sales & Use Taxes	43,900	25,000	--	--	--	--	--	--	--	--	--
Motor Vehicle Sales Tax	3,500	--	--	--	--	--	--	--	--	--	--
Gasoline Tax	10,000	--	--	--	--	--	--	--	--	--	--
Payroll Tax	31,620	--	--	--	--	--	--	--	--	--	--
Franchise (Utilities) Taxes	50,274	--	--	--	--	1,600	--	2,700	--	--	--
Restaurant Taxes	2,100	--	4,128	--	--	--	--	--	--	--	--
3.5% Hotel Sales Tax	--	--	--	5,815	--	--	--	--	--	--	--
Other Taxes	0,250	--	--	--	--	--	--	--	--	--	--
License Fees	23,512	--	--	--	--	--	--	--	--	--	--
Enterprise Revenues	--	--	--	--	--	--	--	--	--	--	--
Grants / Other Intergovt. Revenues	3,600	--	--	--	1,136	--	--	--	5,150	--	8,308
Dept. User Fees, Fines & Other Rev.	41,906	--	--	--	0,098	10,758	--	--	0,020	--	--
Transfers In	24,618	--	--	--	1,259	0,600	--	--	--	--	--
Other Resources	0,000	--	--	--	--	--	--	0,150	--	--	--
<b>Total Sources of Fund:</b>	<b>\$403,127</b>	<b>\$25,000</b>	<b>\$4,128</b>	<b>\$5,815</b>	<b>\$3,593</b>	<b>\$11,358</b>	<b>\$1,600</b>	<b>\$2,850</b>	<b>\$5,170</b>	<b>\$8,308</b>	
<b>Appropriation:</b>											
Personal Services	303,774	11,125	--	--	3,342	4,133	1,279	0,718	0,650	2,203	
Materials & Supplies	15,229	0,600	--	--	0,035	0,678	0,049	0,007	0,010	0,056	
Rental & Non Capital Leases	3,592	0,119	--	--	0,009	0,114	0,004	0,005	0,000	0,498	
Non Capital Equipment	0,390	0,014	--	--	0,006	0,086	0,002	0,000	0,010	--	
Capital Assets	1,922	0,017	--	--	0,000	0,063	0,015	0,042	0,000	0,000	
Contractual & Other Services	53,848	16,067	0,185	--	0,597	5,033	0,091	2,385	0,055	5,551	
Debt Service	23,068	0,005	--	--	--	1,400	--	--	--	--	
Transfers Out:											
Capital Lease Payments	0,000	--	--	--	--	--	--	--	--	--	
Other Transfers Out	1,259	--	3,915	5,815	--	0,250	0,142	--	4,175	--	
<b>Total Uses of Funds</b>	<b>\$403,082</b>	<b>\$27,947</b>	<b>\$4,100</b>	<b>\$5,815</b>	<b>\$3,989</b>	<b>\$11,757</b>	<b>\$1,581</b>	<b>\$3,157</b>	<b>\$4,900</b>	<b>\$8,308</b>	
<b>Projected Ending Fund Balance</b>	<b>\$11,346</b>	<b>\$3,642</b>	<b>\$0,183</b>	<b>\$0,000</b>	<b>\$0,091</b>	<b>\$4,915</b>	<b>\$0,440</b>	<b>\$2,440</b>	<b>\$0,969</b>	<b>\$0,000</b>	

nb: Fund balances exclude 27th pay reserves and other designated balances.

\* CDBG funds and St. Louis Street Improvement Fund are appropriated on a calendar year basis and are under separate appropriating ordinances. Fund balances rollover and do not require reappropriation.

**FY05 BUDGET SUMMARY BY FUND (in million \$)**

Sources and Uses	Community Development Agency *	1164-69 Grant Funds	n/a	Street Improvement Fund *	1217-22 Capital Improvement Funds	General Obligation Debt Service	Tax Incremental Financings	Water Division Enterprise Fund	Airport Enterprise Fund	Mail Services Internal Service Fund	Employees Health & Hosp. Funds
Projected Beginning Fund Balance	n/a			\$0.300	\$2.680	\$6.194	\$0.000	\$7.304	\$13.530	(\$0.151)	(\$6.115)
<b>Revenues</b>											
Earnings Tax	--	--	--	--	--	--	--	--	--	--	--
Property Tax	--	--	--	--	--	5.675	--	--	--	--	--
Sales & Use Taxes	--	--	--	--	17.270	--	--	--	--	--	--
Motor Vehicle Sales Tax	--	--	--	0.800	--	--	--	--	--	--	--
Gasoline Tax	--	--	--	--	0.600	--	--	--	--	--	--
Payroll Tax	--	--	--	--	--	--	--	--	--	--	--
Franchise (Utilities) Taxes	--	--	--	3.355	--	--	--	4.000	--	--	--
Restaurant Taxes	--	--	--	--	--	--	--	--	--	--	--
3.5% Hotel Sales Tax	--	--	--	--	--	--	--	--	--	--	--
Other Taxes	--	--	--	--	--	--	1.960	--	--	--	--
License Fees	--	--	--	--	--	--	--	--	--	--	--
Enterprise Revenues	--	--	--	--	--	--	--	40.593	153.196	--	--
Grants / Other Intergovt. Revenues	33.868	46.819	--	--	--	--	--	--	--	--	--
Dept. User Fees, Fines & Other Rev.	--	--	--	--	1.500	--	--	--	--	0.830	39.360
Transfers In	--	--	--	--	9.470	--	--	--	--	--	--
Other Resources	--	--	--	0.045	3.300	--	--	--	--	--	--
<b>Total Sources of Fund:</b>	<b>\$33.868</b>	<b>\$46.819</b>	<b>\$4.200</b>	<b>\$32.140</b>	<b>\$5.675</b>	<b>\$1.960</b>	<b>\$44.593</b>	<b>\$153.196</b>	<b>\$0.830</b>	<b>\$39.360</b>	
<b>Appropriation:</b>											
Personal Services	4.623	14.548	--	0.618	--	--	0.118	20.039	35.385	0.261	0.482
Materials & Supplies	0.042	0.654	--	--	--	--	0.005	8.153	4.692	0.004	0.018
Rental & Non Capital Leases	0.496	0.100	--	--	--	--	--	0.305	0.243	--	0.003
Non Capital Equipment	0.025	0.100	--	15.676	--	--	--	0.181	0.468	--	0.012
Capital Assets	0.111	0.078	--	--	--	--	0.005	1.396	2.054	--	0.000
Contractual & Other Services	28.571	31.326	4.500	1.570	--	--	--	14.490	39.969	0.563	40.645
Debt Service	--	0.013	--	16.930	--	5.665	1.832	4.085	47.444	--	--
Transfers Out :											
Capital Lease Payments	--	--	--	--	--	--	--	--	--	--	--
Other Transfers Out	--	--	--	--	--	--	--	--	--	--	--
<b>Total Uses of Funds</b>	<b>\$33.868</b>	<b>\$46.819</b>	<b>\$4.500</b>	<b>\$34.794</b>	<b>\$5.665</b>	<b>\$1.960</b>	<b>\$48.649</b>	<b>\$130.255</b>	<b>\$0.828</b>	<b>\$41.160</b>	
<b>Projected Ending Fund Balance</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.026</b>	<b>\$6.204</b>	<b>\$0.000</b>	<b>\$3.248</b>	<b>\$36.471</b>	<b>(\$0.149)</b>	<b>(\$7.915)</b>	

nb: Fund balances exclude 27th pay reserves and other designated balances.

\* CDBG funds and St. Louis Street Improvement Fund are appropriated on a calendar year basis and are under separate appropriating ordinances. Fund balances rollover and do not require reappropriation.

## SUMMARY AND OVERVIEW

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### FY2005 GENERAL FUND BUDGET

The FY2005 general fund budget is \$403.1 million, a decrease of 2% from that of FY2004. The allocation of these funds has been developed in such a way as to maintain existing services deemed important to constituents and properly fund all fixed obligations. The allocation scenario continues to place emphasis on Neighborhood Stabilization and Public Safety as its primary focus areas. Additionally, the budget accommodates all fixed obligations, including debt service costs, mandated costs imposed by state statues, and contractual commitments. The budget also acknowledges a need to make contributions to the three City funded pension systems. The recommended contribution amounts, while not based on each systems' actuarially determined amounts, do serve to reduce the outstanding unfunded liability of each system. Remaining resources have been allocated across departments in a manner designed to encourage operational efficiencies in the delivery of services and to begin to put the City in a position to fund the necessary changes to the way certain services will be delivered in the future.

The general fund allocation for Police services is \$134.3 million and now consumes nearly a third of the entire budget. The allocated amount is based on an approved staffing level of 1,325 commissioned officers and sufficient recruit classes to maintain the authorized level. The allocated amount also includes a contribution to the Police Retirement System of \$4.4 million. In a move designed to contain the costs of servicing vehicles, the Metropolitan Police Department has accepted responsibility for providing maintenance on city sedans using its existing facilities and with minimal increases in staff. This allowed for the closing of one city owned garage resulting in immediate savings and future cost avoidance. The budget also includes \$47.3 million for Fire and Emergency Medical Services operations and a contribution of \$4.7 million to the Firefighters Retirement System. This amount is virtually unchanged from FY2004 and is deemed sufficient to continue the practice of operating 30 firehouses throughout the City.

In recent budget proposals, the City has implemented new programs aimed at enhancing the stability of its neighborhoods. In addition to responding to actual and

## SUMMARY AND OVERVIEW

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perceived problems related to public safety, new programs designed to improve the attractiveness of the neighborhoods were funded. These include a program to enhance street lighting in residential neighborhoods, the District Debris program to clean up and maintain vacant and abandoned property, and the Trash Task Force to reduce and ultimately eliminate illegal dumping. Each of these programs has met with initial success and funds to continue these efforts have been incorporated into the operating budget for FY2005.

Service delivery changes in addition to the aforementioned transfer of vehicle maintenance responsibility to the Police Department include a shift from the Division of Health to the Department of Public Safety, the task of identifying and resolving problems of high levels of lead based paint in residential housing units. In addition the Division of Health is expanding its collaboration efforts with other providers of public health services such as federally funded health clinics to ensure wider dispersal of treatment options for clinical services.

In the FY2005 budget, the practice of

allocating general fund revenues to finance and maintain public improvements is continued. This includes \$1.0 million to retire debt associated with the Kiel Center, \$5.0 million to retire debt on the Edward Jones Dome, and \$12.6 million for debt on the Convention Center. A reduction of \$0.8 million in the Convention Center debt service payment for FY2005 is the result of refinancing the existing debt. Aside from these debt service payments, \$1.0 million and \$2.0 million allocations are included to preserve the assets at the Edward Jones Dome & Convention Center respectively, with \$0.4 million of the Convention Center asset preservation amount dedicated to replacing the current lighting system. In addition, \$0.4 million is appropriated in the Traffic Division budget to repay a loan, the proceeds of which was used to purchase and install more energy efficient traffic signals.

Fixed increases accommodated in the FY2005 budget include the impact of the current pay plan for firefighters and police officers that will provide for salary adjustments based on years of service. No funds have been included in the budget for cost-of-living pay increases or merit raises for

## SUMMARY AND OVERVIEW

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other City employees in anticipation of a new pay plan. However, the proposed budget does provide funds for a 22% increase in employer provided health insurance. All increases in the budgets under authority of the Circuit Court are funded as a result of statutory requirements to leave unaltered any budget estimates submitted by the Circuit Court. Negotiations between the City and the Circuit Court are ongoing during the budget review process and can result in some reductions from the original request, allowing for the restoration of previously considered budget cuts in other areas.

The adopted budget increases are funded by increases in recurring revenues, decreases in some operating costs, proposed fee increases, and use of previously unappropriated fund balances. Non-recurring new revenue for operations included in the plan include the proceeds from sales taxes and fees previously earmarked for capital improvements. The aforementioned unappropriated fund balances refers to accumulated balances in certain special funds, as well as any excess in the general fund after setting aside a reserve equal to 5% of the general fund budget.

## SUMMARY AND OVERVIEW

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### Major changes in the FY2005 General Fund Budget include:

- \$1.1 million in additional salary savings due to elimination of merit pay increases in FY05
- \$2.4 million increase in allocation for health insurance costs for City employees.
- \$5.7 million in remaining justice center project funds for general fund portion of Justice Center Debt
- \$2.0 million in unappropriated capital revenues to pay general fund portion of Courthouse debt.
- \$2.0 million in staff reduction and other savings related to an operational review of Correctional Facilities
- \$1.0 million in savings in Fire Department overtime and salary costs due to staffing & scheduling initiatives
- \$1.5 million in estimated Health Division cost savings in effort to more effectively coordinate community health resources
- \$1.1 million increase in Board of Election for four city-wide elections
- \$1.7 million in revenue due to imposition of new alarm fee ordinance
- \$8.5 million increase in Convention Center debt after one-time refinancing reduction in FY04
- \$1.6 million in Metro Parks sales tax revenues allocated for park maintenance
- \$750,000 estimated increase in general fund parking revenues related to new parking violation collection initiative
- \$600,000 in estimated savings due to consolidation of ESD facility and sedan maintenance with Police Department garage
- In excess of \$250,000 in annual Street Department savings due to state assuming maintenance of certain City streets
- Net reduction of 271 general fund positions

## SUMMARY AND OVERVIEW

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### FY2005 GENERAL FUND REVENUES

Revenues available to support the budget for general operations are forecast at \$403.1 million. The recurring portions of these revenues are generated by a variety of sources, the most significant being taxes on employment. Other major revenue sources include taxes on property and retail sales, along with various business license fees and intergovernmental revenues from the State of Missouri. The remaining recurring general fund revenues are comprised of departmental receipts for services rendered and fines resulting from ordinance violations. One-time sources include revenues which have accumulated in special funds and are being transferred to the general fund to augment recurring sources and proceeds from the metro parks sales tax for capital improvements.

Employment based taxes, a category which includes the earnings tax, payroll expense tax, and the graduated business license fee provide the largest share of general fund revenues. In FY2005 this group is expected to provide 40% of all general fund revenues. The increase for this group is forecast at less than 1% over revised estimates

for FY2004. Of this group, the earnings tax applied to individual's earnings and business profits is the most significant and is forecast to generate \$121.9 million, a decrease of 1.0% from the FY2004 budget amount. The payroll expense tax, a function of total wages paid for work performed in the City, and the graduated business license fee, which is based on the number of full time equivalent workers in the City, are both key indicators of employment trends in the City. Together these two revenue sources are forecast to generate \$39.4 million in FY2005. As is the case with earnings tax, this estimate represents a decrease from the current budget amount.

Property tax revenues are forecast to increase by 4.6% to \$46.0 million based on the expectation that the assessed value of real estate will continue to increase. Retail sales taxes are expected to generate \$43.9 million, an amount that is 8.0% lower than the budget estimate for FY2004 and which reflects the continuing decline in retail economic activity. Franchise taxes, a category which includes a gross receipts tax on privately owned utility companies and the City-owned Airport and Water Division, should provide \$50.3 million, a 1.4% decrease from the current year's

## SUMMARY AND OVERVIEW

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revised estimate of \$51.0 million. While there are no rate increases incorporated into the forecast, the City will continue to benefit from an expansion of taxable services provided by telephone utilities. As in past years, the estimated receipts from the sale of both natural gas and electricity is based on existing rates and average usage, with extreme weather conditions being factored out.

Revenues from sources associated with the hospitality and entertainment industry are projected to produce approximately the same amount as called for in the FY2004 budget. As a group, these sources which include the amusement, restaurant, parking and hotel taxes are expected to provide \$22.9 million. In addition to the underlying growth in these sources, it is anticipated that the City will begin to realize net new benefits from the addition of over 1,000 new hotel rooms in the downtown area in the last 2 years. Intergovernmental revenue should be marginally higher due to increased capacity with the Justice Center completion providing additional space to house pre-trial inmates. Additionally, the City expects to receive approximately \$1.2 million from the U. S. Marshal's Office for housing federal prisoners

in the Justice Center.

Departmental user fees will increase by 9.5% mainly due to increased demand for building permits and inspections, along with increasing efficiency in collection activity. The following chart depicts the allocation of revenue sources supporting the general revenue budget for FY2005.

## SUMMARY AND OVERVIEW

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### **Earnings and Payroll Tax**

Employment based tax revenue, i.e. earnings and payroll taxes provide the largest share of the City's general revenue. Corporate downsizing and business closings have had a negative impact on the number of jobs in both the City proper and the metropolitan area. Earnings taxes are paid on both individual employee gross earnings and on net profits earned in the City by businesses. Payroll tax is a business tax applied to the wages paid to employees for work done in the City. Revised estimates for the current year project a decrease of 1.7 percent from actual receipts in FY2003. Earnings and payroll expense taxes in FY2005 are projected to provide \$121.9 and \$31.6 million, respectively. Together, these two sources account for nearly 40 percent of total general fund revenues and the estimated amount represents a growth factor of less than 1.0% over the current year.

### **Tourism and Amusement Tax**

Convention and tourism based revenues contributing to the general fund consists of a gross receipts tax on hotels and restaurants. In FY2005, hotel and restaurant gross receipts

taxes are expected to provide \$11.8 million, a decrease of 2.5 percent from the current year's budget amount of \$12.1 million. The expected decrease results mainly from lowered expectations of the impact provided by the addition of new hotel rooms in the downtown area. Amusement tax revenues which are a function of ticket prices to sporting events are expected to increase due to previously announced price hikes as well as growing popularity of the events. For FY2005, amusement taxes are forecast to provide \$8.4 million, an increase of approximately 1.0% over the current year's revised estimate.

### **Sales Tax**

Local sales tax revenues will account for approximately \$43.8 million based on the local tax rate of 1.375%. Sales tax revenues have consistently declined since the beginning of the recession in 2001. The original estimate for the current year called for an increase of 2.5 percent. That amount has since been revised reflect the continuing decrease in sales tax receipts. The FY2005 estimate presumes a further decrease of 2.1% on an annual basis from the revised FY2004

## SUMMARY AND OVERVIEW

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estimate.

### **Property Tax**

Property tax revenues, which will account for more than 10% of the general fund in FY2005 continue to provide an important piece of the general revenue pie. The forecast for next year recognizes the growth in the real estate assessments and the statutory prohibition against the realization of a revenue windfall resulting from reassessment of real property. Revenue from real property is allowed an increase limited to an accepted inflation index, plus any increases resulting from new construction. FY2005 revenues anticipate continued growth in the assessed value of real property and no significant change in personal property tax revenues.

### **Franchise Tax**

Revenues from franchise taxes are forecast at \$50.4 million. Because the majority of these revenues are based on the gross receipts of utility companies, they are to a great extent dependent on changes in weather patterns, and to a lesser extent on regulatory agency actions. An expected decline in revenues

from the airport based on reduced carrier revenues also serve to mitigate otherwise expected increases in this area.

### **License and Permits**

License and permit revenue is expected to increase from the current year's level, by approximately 3.5% with increases in gross receipts based licenses such as the ones levied on parking garages and sporting events. Building permit revenue is expected to be at least \$1.0 million higher due to increased activity and some identifiable special projects. Some of the increase will be offset by an expected decrease in revenue from the cigarette license tax. Others, such as liquor, graduated business, and automobile licenses are forecast to remain at the current year's level.

### **Intergovernmental Revenues.**

Revenues received from the State include the motor vehicle sales tax and a gasoline tax, both of which are imposed statewide and distributed to local jurisdictions based on a statutory or constitutional formula. The projection for FY2005 for both automobile

## SUMMARY AND OVERVIEW

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and gasoline tax revenues presumes no growth from the currently expected amounts. This category also includes state reimbursements for the cost of housing pre-trial inmates and placements of juvenile offenders. Because of increased capacity with the opening of the Justice Center, housing reimbursements are forecast to be higher, offsetting the decrease in other intergovernmental revenues

**CITY OF ST. LOUIS  
GENERAL FUND REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual FY03</b>	<b>Revised Estimate FY04</b>	<b>Projected Receipts FY05</b>	<b>Percent Change</b>
Earnings Tax	\$122,206,236	\$119,900,000	\$121,850,000	1.6%
Sales Taxes	46,280,903	44,830,000	43,900,000	-2.1%
Property Tax	42,457,071	43,969,000	45,997,000	4.6%
Payroll Expense Tax	31,890,987	31,620,000	31,620,000	0.0%
Franchise / Utility Taxes:				
Electricity	22,802,053	22,500,000	22,500,000	0.0%
Natural Gas	8,599,585	9,500,000	8,600,000	-9.5%
Telephone	10,995,060	10,400,000	10,400,000	0.0%
Water	3,674,820	3,700,000	3,900,000	5.4%
Airport	5,187,000	4,100,000	4,100,000	0.0%
All Other franchise fees	895,273	774,000	774,000	0.0%
Subtotal	52,153,791	50,974,000	50,274,000	-1.4%
Intergovernmental Revenues:				
Gasoline Tax	8,831,066	9,950,000	10,000,000	0.5%
Health Care Payments	3,311,016	3,400,000	3,161,000	-7.0%
Prisoner Housing Reimbursement	5,403,500	6,703,000	7,568,000	12.9%
Juvenile Detention Reimbursements	1,842,737	1,843,000	1,843,000	0.0%
Motor Vehicle Sales Tax	3,364,018	3,500,000	3,500,000	0.0%
Intangible Tax	165,275	200,000	250,000	25.0%
Subtotal	22,917,612	25,596,000	26,322,000	2.8%
Licenses:				
Graduated Business License	7,677,401	7,800,000	7,800,000	0.0%
Cigarette Occupational License	2,024,802	1,879,000	1,804,000	-4.0%
Sports and Amusement	7,419,131	8,312,000	8,370,000	0.7%
Automobile	1,348,274	1,375,000	1,375,000	0.0%
Parking Garages and Lots	2,521,166	2,600,000	2,700,000	3.8%
Other Licenses	1,162,713	899,000	1,463,000	62.7%
Subtotal	22,153,487	22,865,000	23,512,000	2.8%

**CITY OF ST. LOUIS  
GENERAL FUND REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual FY03</b>	<b>Revised Estimate FY04</b>	<b>Projected Receipts FY05</b>	<b>Percent Change</b>
Departmental Revenues:				
Fines and Forfeits	5,407,311	7,969,000	8,898,000	11.7%
Building and Occupancy Permits	3,717,313	5,698,000	6,563,000	15.2%
Departmental User Fees & Other	23,184,773	24,384,000	27,989,000	14.8%
Subtotal	32,309,397	38,051,000	43,450,000	14.2%
Convention and Tourism Taxes:				
Hotel / Motel Gross Receipts <sup>1</sup>	5,500,000	5,500,000	5,815,000	5.7%
Restaurant Gross Receipts - 1 cent <sup>1</sup>	3,587,375	3,925,000	3,915,000	-0.3%
Restaurant Gross Receipts - 1/2 cent	2,000,968	2,000,000	2,100,000	5.0%
Subtotal	11,088,343	11,425,000	11,830,000	3.5%
All other revenues and transfers	10,818,572	1,610,000	4,372,000	171.6%
Subtotal	10,818,572	1,610,000	4,372,000	171.6%
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$394,276,399</b>	<b>\$390,840,000</b>	<b>\$403,127,000</b>	<b>3.1%</b>

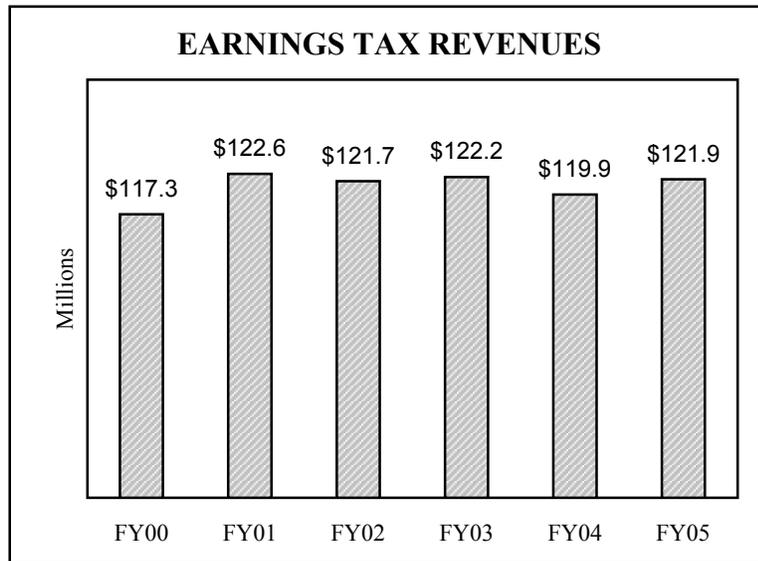
<sup>1</sup> Transfers from convention and sports facility trust fund and convention and tourism fund respectively

# EARNINGS TAX

## Definition

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.



## Discussion

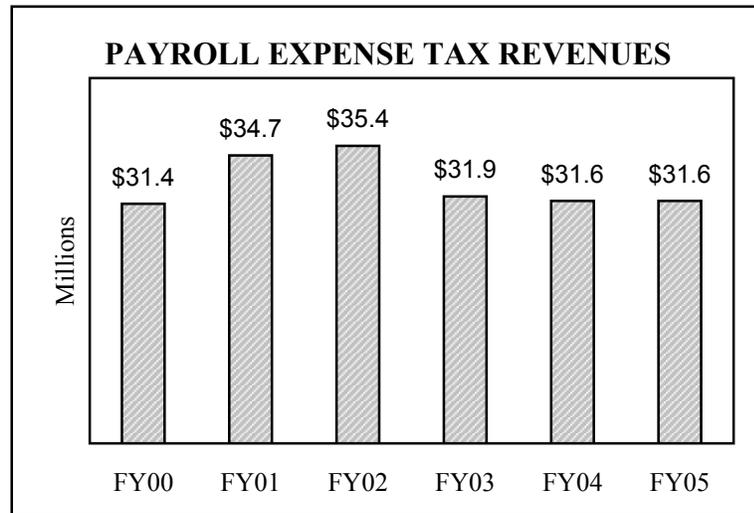
The city earnings tax is the most significant single source of general fund revenues, comprising approximately 30% of the total revenues. Receipts from individual taxpayers comprise about 85 percent of total earnings tax revenues, with businesses paying the remaining 15 percent. The Collector of Revenue is authorized by State law to retain a percentage of collections to pay for office operations. Funds not used for operations, including interest, are returned to the city.

Following consecutive years of declining revenues that began in the 2002 fiscal year, revenues are forecast to exhibit minimal growth in FY05.

## PAYROLL EXPENSE TAX

### Definition

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. Not-for-profit charitable or civic organizations are exempt from the payroll expense tax.



### Discussion

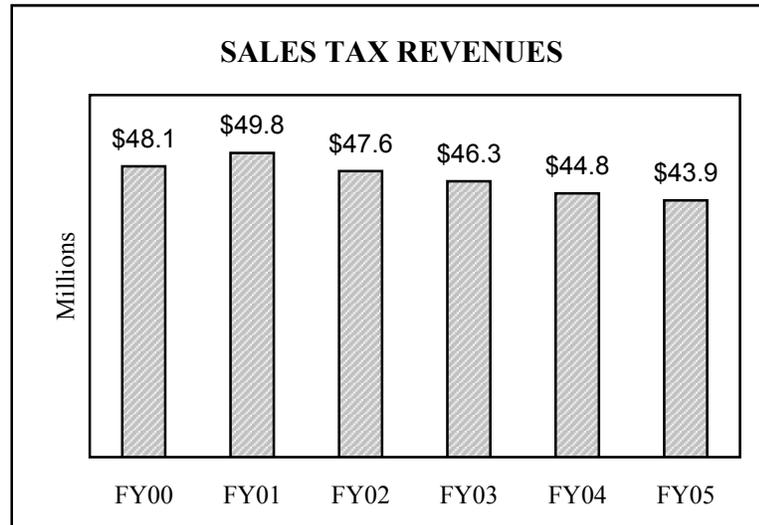
The payroll expense tax was implemented in 1988 as part of an overall tax reform package, the aim of which was to redesign the city revenue base to be more attuned to changes in the economy. Payroll expense tax receipts follow trends in earnings tax collections, but grows at a different rate, due to a somewhat different base and exemptions noted above. Revenues from this source which have declined from a peak in FY02 are expected to stabilize at the current years level

## SALES TAX

### Definition

A one and three-eighths percent tax levied on retail sales in the City of St. Louis. Sales tax is not levied on certain items, including motor fuels, prescription drugs, food purchased with food stamps, all sales by or to not for profit organizations and residential utility charges.

### Discussion



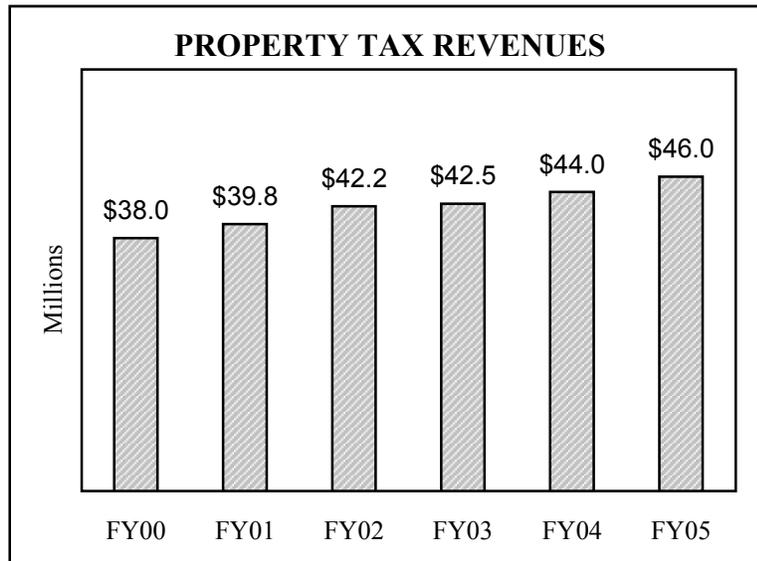
The chart above shows the collections history of the city's 1.375% local sales tax that is deposited into the City's general fund. Sales tax revenues have steadily declined over the last three years, and a continuation of that trend is expected in FY05.

Separate sales taxes not included in the above figures are the City's 0.5% (half cent) sales tax for capital improvement purposes (described in another section) as well as 0.5% and 0.25% sales taxes for transportation purposes that are allocated to the regional transit authority, a 0.10% regional parks sales tax and a 0.66% education sales tax which brings the total local sales tax rate in the city to 3.392%.

## REAL AND PERSONAL PROPERTY TAXES

### Definition

A tax levied on the assessed value of all real and personal property. The current tax rate is \$7.0865 per \$100 assessed value



### Discussion

Real and personal property tax revenues are distributed to the following taxing jurisdictions.

State	\$0.0300
Schools	4.1900
Community College	0.2312
Library	0.5446
Zoo, Museum, Garden District	0.2260
Sewer District	0.0690
Sheltered Workshop	0.1459
Community Mental Health	0.0875
City - General Purposes	1.4110
City - Public Debt	0.1513
<b>TOTAL</b>	<b>\$7.0865</b>

Taxes are levied on all real and personal property owned as of January 1 in each year. Tax bills are normally mailed in November and payment is due by December 31, after which taxes become delinquent. Assessment ratios are 19% for residential property, 32% for commercial property, and 12% for agricultural real estate. Personal property is assessed at 33.3% of the appraised market value.

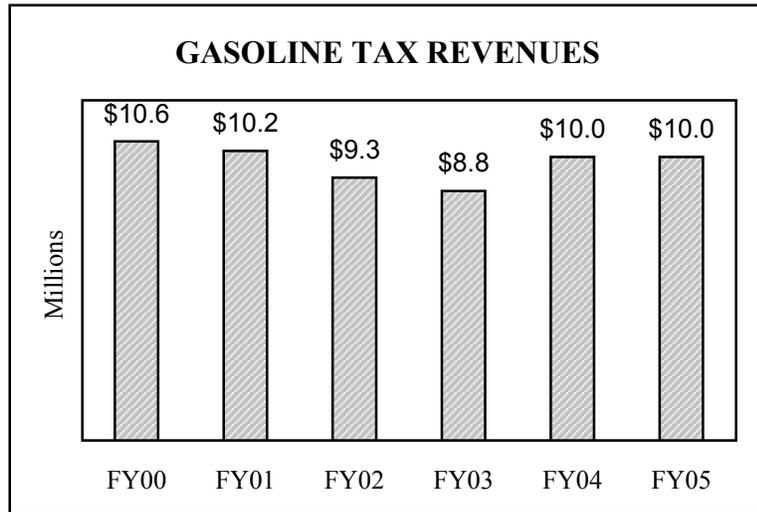
In addition to the rate shown, commercial real property is taxed at a rate of \$1.64 per \$100 assessed valuation, as a replacement for the Manufacturer's Inventory tax

Property tax revenues to the general fund are projected to grow 4.6% in FY05.

# GASOLINE TAX

## Definition

A per unit tax levied on the sale of motor fuel purchased statewide. The gasoline tax is levied by the state and remitted monthly to local jurisdictions based on the proportionate share of the total population.



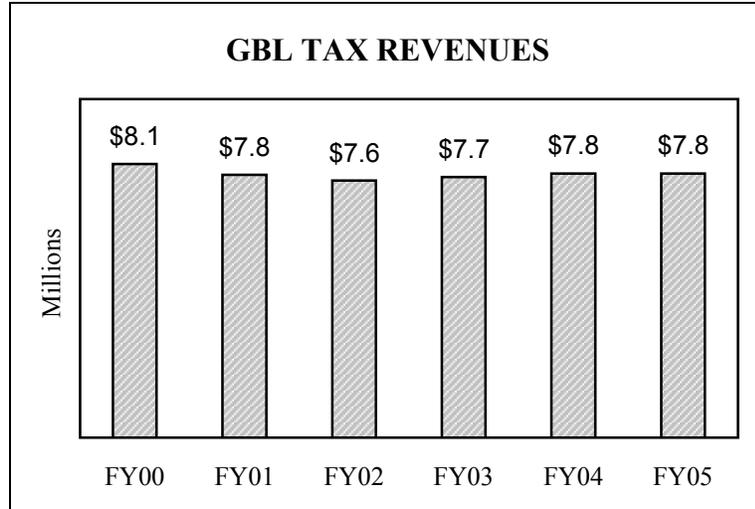
## Discussion

The gasoline tax rate imposed by the State of Missouri is \$0.17 per gallon. The City receives distributions from the state both for its status as a city and a county. The formula for distribution for these revenues is based on the jurisdiction's population as a percentage of all jurisdictions. As a result of the 2000 census, the City has seen a decline in its share of gasoline tax revenue distributions beginning in FY02. Amounts depicted in the chart above represent the city's allocation based on its status as a city and are deposited to the general fund to offset the cost of maintaining streets and highways. An additional \$0.6 million is received based on the city's status as a county and is deposited to the capital fund to offset the cost of road and bridge projects.

## GRADUATED BUSINESS LICENSE TAX

### Definition

A flat rate tax on businesses based on the number of persons a business employs within the city limits. The tax rate ranges from \$150 for employers with two or fewer employees to \$25,000 for employers with more than five hundred employees.



### Discussion

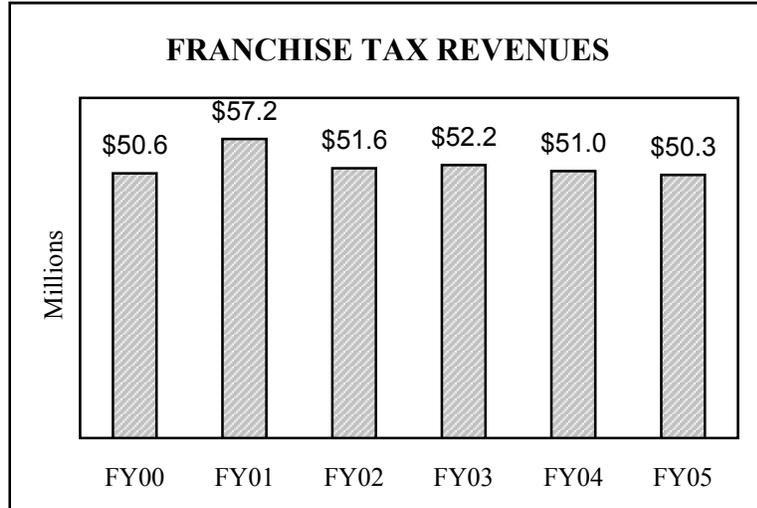
The graduated business license tax and provides a consistent source of revenue of just under \$8.0 million per year. As indicated by the chart above, the level of employment activity has remained relatively constant. Taxes are based on the following schedule.

<u>Number of Employees</u>	<u>GBL Tax</u>
501 or more	\$25,000
401-500	\$23,000
301-400	\$20,000
201-300	\$17,000
151-200	\$13,500
101-150	\$10,000
76-100	\$7,500
51-75	\$5,000
41-50	\$3,000
31-40	\$2,000
21-30	\$1,500
11-20	\$1,000
6-10	\$500
3-5	\$250
2 or fewer	\$150

# FRANCHISE TAX

## Definition

A tax on the gross receipts of utility companies operating within the city, including sales of electricity, natural gas, telephone services, water and steam, and on the gross receipts of the Airport.



## Discussion

The tax rate for companies supplying natural gas and electricity is 10% of the gross receipts from their commercial customers and 4% of the gross receipts from residential customers. Companies supplying telephone service, steam and water are taxed at 10% of their gross receipts from all customers. The taxes are passed on to the ultimate consumers.

The tax on natural gas and electricity account for about two-thirds of all franchise tax revenue. Rate changes for supplying natural gas, electricity, and telephone service are subject to approval by the Missouri Public Service Commission. In FY01, increases in the cost of natural gas resulted in significantly higher revenues from natural gas taxes. Revenues in subsequent years reflect a return to more normal usage and rates.

**CITY OF ST. LOUIS**  
**SPECIAL AND OTHER FUNDS REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual Receipts FY03</b>	<b>Revised Estimate FY04</b>	<b>Projected Receipts FY05</b>	<b>Percent Change</b>
<b>SPECIAL FUND REVENUES:</b>				
Local Use Tax Fund	\$24,350,581	\$25,100,000	\$25,000,000	-0.4%
Fund Balance	0	0	2,925,000	
	24,350,581	25,100,000	27,925,000	11.3%
Convention and Tourism Fund				
Restaurant Gross Receipts Tax (1%)	3,963,109	4,080,000	4,128,000	1.2%
Fund Balance	0	0	0	
	3,963,109	4,080,000	4,128,000	1.2%
Convention and Sports Facility Fund				
Hotel and Motel Sales Tax (3.5%)	5,207,520	5,700,000	5,815,000	2.0%
Fund Balance	292,480	0	0	
	5,500,000	5,700,000	5,815,000	2.0%
Assessment Fund				
Real Estate Tax	1,160,057	1,100,000	1,100,000	0.0%
State Reimbursements	1,235,410	672,000	1,136,000	69.0%
Other	86,521	98,600	98,600	0.0%
General Fund Subsidy	1,929,000	2,050,000	1,259,000	-38.6%
Fund Balance	0	0	395,000	
	4,410,988	3,920,600	3,988,600	1.7%
Miscellaneous Special 1116 Funds				
Forest Park Fund	678,264	800,000	915,000	14.4%
Child Support Unit	834,172	1,650,000	1,700,000	3.0%
Street Excavation Fund	287,500	250,000	275,000	10.0%
Port Authority (incl. gaming lease)	3,057,470	3,213,036	3,388,000	5.4%
Building Commissioner - Lead Remediation	862,491	1,205,000	1,840,000	52.7%
Building Commissioner - Bldg. Demolition	985,503	1,205,000	1,840,000	52.7%
Police Officer Training Fund	76,332	80,000	80,000	0.0%
Communicable Disease - Immunization Fund	225,349	225,000	225,000	0.0%
Health Division - Other Special Revenue	104,770	200,000	200,000	0.0%
Special Health Care Fund	192,377	0	0	n/a
Battered Persons Shelter Fund	146,794	150,000	150,000	0.0%
BPS Special Project Funds	0	0	200,000	n/a
Other Special Revenue Funds	133,987	199,000	525,200	163.9%
Fund Balances	0	0	20,000	

**CITY OF ST. LOUIS**  
**SPECIAL AND OTHER FUNDS REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual Receipts FY03</b>	<b>Revised Estimate FY04</b>	<b>Projected Receipts FY05</b>	<b>Percent Change</b>
	7,585,009	9,177,036	11,358,200	23.8%
Communications Fund				
Cable Television Gross Receipts Tax	1,727,951	1,560,000	1,600,000	2.6%
Fund Balance	0	0	0	
	1,727,951	1,560,000	1,600,000	2.6%
Lateral Sewer Fund				
Tax receipts and interest	2,808,868	2,850,000	2,850,000	0.0%
Fund Balance	0	550,000	325,000	-40.9%
	2,808,868	3,400,000	3,175,000	-6.6%
Riverfront Gaming Revenues (excl. Port lease)				
Adjusted Gross Receipts Tax (@ 2%)	1,484,565	1,450,000	1,450,000	0.0%
Admissions Tax (@ \$1)	3,871,485	3,700,000	3,700,000	0.0%
Interest	6,597	10,000	20,000	
Fund Balance	0	0	0	
	5,362,647	5,160,000	5,170,000	0.2%
Government Grant Fund Revenues				
St. Louis Agency on Training & Employment	7,291,159	7,980,000	8,308,000	4.1%
Police Department Grants	5,429,609	8,625,000	6,415,000	-25.6%
Community Development (admin. portion)	3,870,060	5,940,000	5,924,000	-0.3%
Other Government Grants	28,005,831	42,254,000	40,872,000	-3.3%
	44,596,659	64,799,000	61,519,000	-5.1%
Capital Improvements Funds				
1/2 Cent Sales Tax	16,805,459	16,300,000	15,700,000	-3.7%
Metro Parks Sales Tax	1,541,428	1,530,000	0	-100.0%
Gasoline Tax	1,450,000	600,000	600,000	0.0%
Previous Year Surpluses / Balances	6,298,000	80,000	2,680,000	3250.0%
Income From Sale Of City Assets	179,834	550,000	3,300,000	500.0%
Transfers from General and Other Funds	9,245,000	12,500,000	9,470,000	-24.2%
Courthouse Restoration Funds	1,675,000	1,700,000	1,500,000	-11.8%
Capital Grants	2,500,000	393,015	0	-100.0%
Interest Earnings	358,178	0	0	
	40,052,899	33,653,015	33,250,000	-1.2%
Debt Service Fund				
Property Taxes	6,005,490	5,700,000	5,675,000	-0.4%
	6,005,490	5,700,000	5,675,000	-0.4%

**CITY OF ST. LOUIS**  
**SPECIAL AND OTHER FUNDS REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual Receipts FY03</b>	<b>Revised Estimate FY04</b>	<b>Projected Receipts FY05</b>	<b>Percent Change</b>
Tax Increment Financing	4,807,787	2,013,000	1,960,000	-2.6%
Trustee Lease Fund - Interest & DSR Earnings	1,734,907	682,000	143,000	-79.0%
Mail Services Internal Service Fund	541,387	951,000	830,000	-12.7%
Employee Benefits Funds	29,460,304	34,535,000	39,360,000	14.0%
Fund Balance	4,000,000	2,100,000	1,800,000	n/a
	<u>33,460,304</u>	<u>36,635,000</u>	<u>41,160,000</u>	<u>12.4%</u>
<b>Subtotal Special Fund Revenues</b>	<b><u>186,908,586</u></b>	<b><u>202,530,651</u></b>	<b><u>207,696,800</u></b>	<b><u>2.6%</u></b>
<b>ENTERPRISE FUND REVENUES:</b>				
Water Division				
Net Sales of Water	36,711,521	35,920,000	37,950,000	5.7%
Gross Receipts Tax	3,674,820	4,000,000	4,000,000	0.0%
All Other Income	2,414,477	2,558,300	2,643,300	3.3%
	<u>42,800,818</u>	<u>42,478,300</u>	<u>44,593,300</u>	<u>5.0%</u>
Lambert St. Louis Airport				
Landing Fees	47,330,000	48,852,000	52,375,000	7.2%
Rents	42,728,000	49,551,000	40,220,000	-18.8%
Utilities and Charges	2,010,000	2,059,000	1,765,000	-14.3%
Concessions	28,595,000	24,718,000	20,670,000	-16.4%
Interest	7,636,000	7,460,000	6,899,000	-7.5%
Parking and Miscellaneous	12,480,000	12,474,000	12,501,000	0.2%
Pledged PFC Revenues	18,766,310	18,766,000	18,766,000	0.0%
LOI Grant Receipts	12,006,000	0	0	
	<u>171,551,310</u>	<u>163,880,000</u>	<u>153,196,000</u>	<u>-6.5%</u>
<b>Subtotal Enterprise Funds</b>	<b><u>214,352,128</u></b>	<b><u>206,358,300</u></b>	<b><u>197,789,300</u></b>	<b><u>-4.2%</u></b>
<b>Total Special and Enterprise Revenues</b>	<b><u>\$401,260,714</u></b>	<b><u>\$408,888,951</u></b>	<b><u>\$405,486,100</u></b>	<b><u>-0.8%</u></b>

**Revenues Appropriated Separately:**

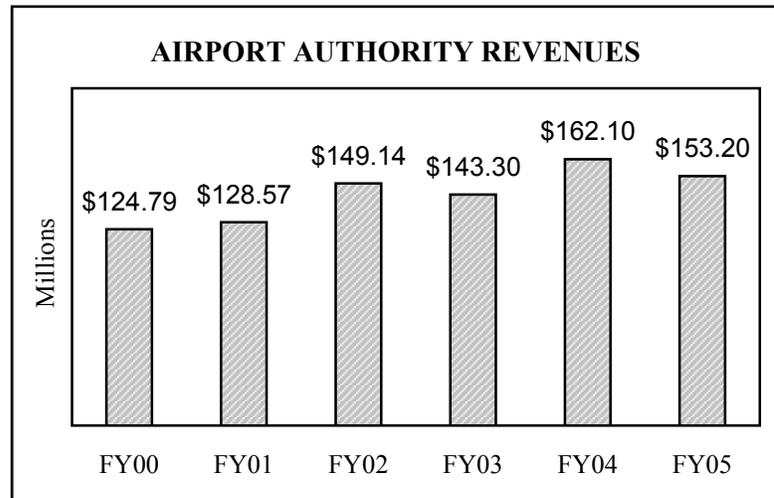
**CITY OF ST. LOUIS**  
**SPECIAL AND OTHER FUNDS REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual Receipts FY03</b>	<b>Revised Estimate FY04</b>	<b>Projected Receipts FY05</b>	<b>Percent Change</b>
<b>Street Improvement Fund</b>				
Motor Vehicle Sales Tax	905,280	850,000	850,000	0.0%
Franchise (Utility) Taxes	3,499,425	3,361,000	3,365,000	0.1%
Fund Balance	0	0	300,000	n/a
	<u>4,404,705</u>	<u>4,211,000</u>	<u>4,515,000</u>	<u>7.2%</u>
Community Dev. Block Grants / Housing Grants (excluding admin. listed above)	44,120,658	29,555,000	27,944,000	-5.5%
<b>Parking Division</b>				
Meter Division Revenues	5,145,310	5,500,000	5,500,000	0.0%
Parking Facility Revenues	5,441,521	4,800,000	5,985,000	24.7%
	<u>10,586,831</u>	<u>10,300,000</u>	<u>11,485,000</u>	<u>11.5%</u>
<b>Transportation Funds</b>				
Transportation 1/2 Cent Sales Tax	16,833,719	19,082,000	19,082,000	0.0%
MetroLink 1/4 Cent Sales Tax	8,627,177	9,541,000	9,541,000	0.0%
	<u>25,460,896</u>	<u>28,623,000</u>	<u>28,623,000</u>	<u>0.0%</u>
<b>Total All Special and Other Fund Revenues</b>	<u><b>\$485,833,804</b></u>	<u><b>\$481,577,951</b></u>	<u><b>\$478,053,100</b></u>	<u><b>-0.7%</b></u>

## AIRPORT AUTHORITY (Lambert-St. Louis International Airport)

### Definition

Airport revenue comes from Signatory Airline Fees, Concession Revenues, Interest Income and Parking fees, in addition to funds provided by the Federal Aviation Administration.



### Discussion

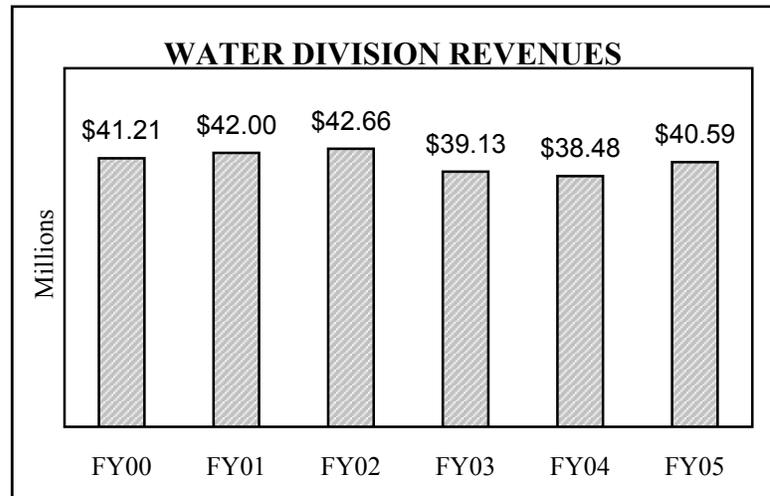
Lambert - St. Louis International Airport receives just over half of its operating revenues from signatory airlines in the form of landing fees and terminal rents. Signatory airlines are those airlines serving the Airport who have signed use agreements and include: American, America West, Continental, Delta, Frontier, Northwest, USAir, Southwest, Trans States and United. The Airport also receives revenues from concessions that operate on Airport property. Concession fees include revenues from the following activities: food & beverage sales, giftshops, coin devices, ground transportation, public parking, car rentals, space rental, in-flight catering and other concession revenues. Other revenues include non-signatory airline fees, cargo, hangar, tenant improvement surcharges, employee lot, gain on sale of investments and other miscellaneous revenues.

## WATER DIVISION

### Definition

Water Division revenues include sales of water to residential and commercial customers and to other jurisdictions, along with miscellaneous charges for service.

### Discussion

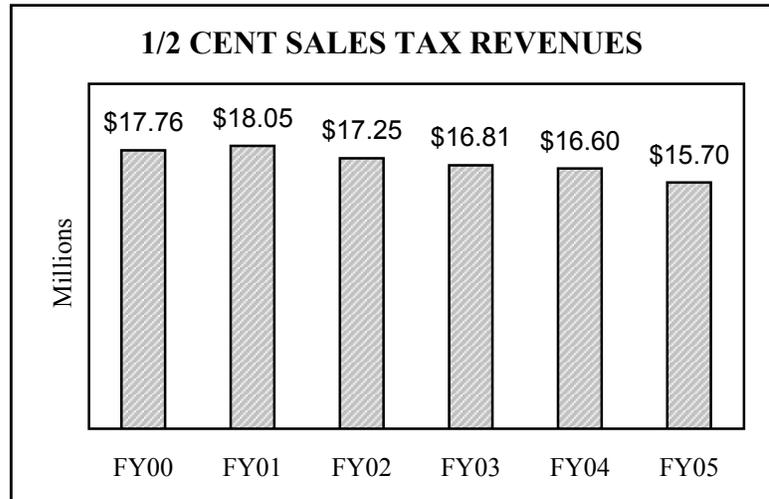


Revenues from net sales of Water include sales to flat-rate and metered customers and sales to other governmental jurisdictions. While the number of metered and unmetered customers has decreased reflecting the city's population decline, increases in the sales to other governmental jurisdictions has offset some of the decrease. The other miscellaneous income is mostly revenue from services the Water Division performs, such as repairing damaged fire hydrants or tapping water lines for new buildings and interest income from investments.

# 1/2 CENT CAPITAL SALES TAX

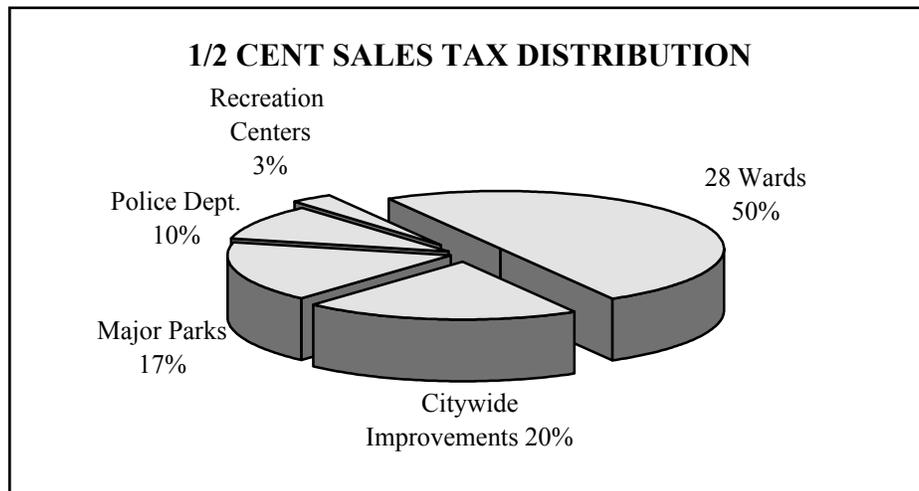
## Definition

A one half percent tax levied on retail sales in the City of St. Louis is dedicated to Capital expenditures. The sales tax is not levied on certain items, including motor fuels, prescription drugs, food purchased with food stamps, all sales by or to not for profit organizations and residential utility charges.



## Discussion

City voters approved the 1/2 cent sales tax for capital improvements in August, 1993. Projected revenue for FY05 is projected to total \$15.7 million. The City ordinance authorizing the 1/2 cent sales tax included a formula for allocating the proceeds among various capital spending areas. This allocation is illustrated in the pie chart below:



## RIVERFRONT GAMING

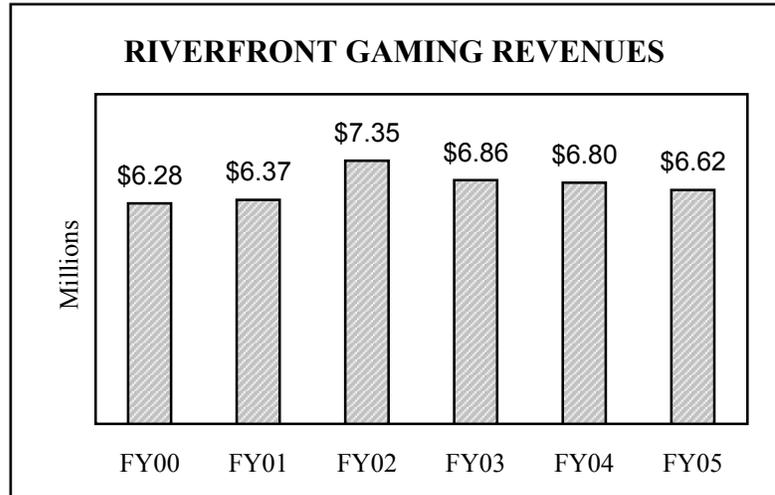
### Definition

Riverfront Gaming revenues come primarily from three sources:

1) the local share of the state gaming tax, 2) the local share of the state admissions tax, and 3) the lease agreement with the City Port Authority

### Discussion

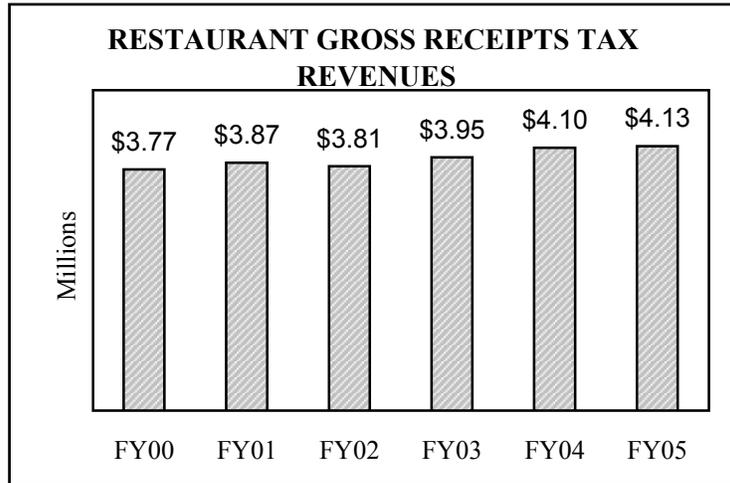
Riverboat gaming on the St. Louis riverfront began in May, 1994 with the opening of President Casino's Admiral riverboat. The State of Missouri imposes a 20% tax on the adjusted gross receipts (AGR) of riverboat gambling facilities as well as a \$2 head tax on the number of admissions. By state statute, the City receives a 10% share of the state tax or 2% of AGR. The City is also entitled to one-half the state admission fee or \$1 per admission. The City receives an additional 2% of AGR through a lease between the riverboat operator and the City's Port Authority. Relocation to a more convenient location on the riverfront along with less restrictive boarding rules have allowed the city's only gaming facility to maintain a viable market share in the face of larger and newer competition in the metropolitan area.



## RESTAURANT GROSS RECEIPTS TAX

### Definition

A 1% tax levied on the gross receipts of restaurants, excluding the sale of alcoholic beverages.



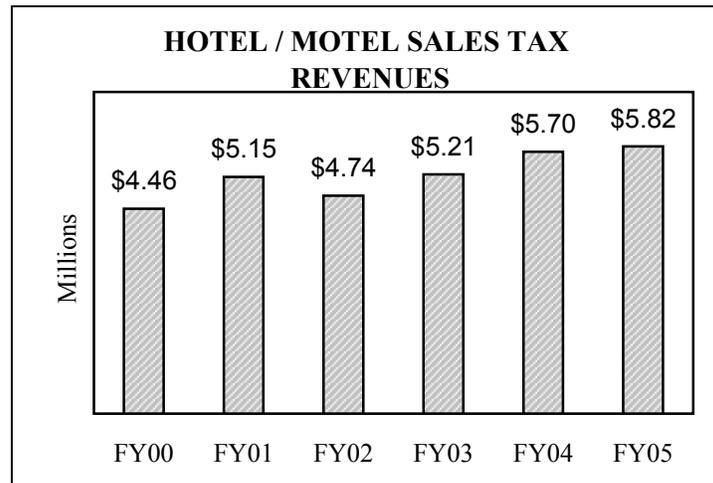
### Discussion

The 1% restaurant gross receipts tax serves as the source of revenue to the City's Convention and Tourism Fund. The fund was established to foster and promote the City's convention and tourism industry. Revenues from this source together with hotel tax receipts from the Convention and Sports Facility Fund are used to offset debt service payments on the Convention Center.

## HOTEL / MOTEL SALES TAX

### Definition

A 3.5% tax levied on the price of a hotel room.



### Discussion

The change from a flat amount per occupied room to a gross receipts based tax has provided the opportunity for this source of revenue to grow with inflationary increases in the cost of a hotel room. Hotel Tax receipts have exhibited consistent growth with the addition of hotel developments in the downtown area. Proceeds from this tax are deposited into a Convention and Sports Facility trust fund and together with restaurant tax revenues are used to offset debt payments on the convention center.