



EXECUTIVE SUMMARY

FY2015 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 citizenry of good health and well being, a vibrant and diverse economy and an effective and efficient government.

The FY2015 Annual Operating Plan continues the ongoing effort to allocate the City's resources in such a way as to maximize the efficacy of programs and services for maintaining the quality of life of its residents, visitors and businesses alike. At the same time, as in any given year, there is a tacit acknowledgement that limitations in these resources will inevitably require tradeoffs that reflect current funding priorities. In the current fiscal year, revenues through the third quarter continued to show modest growth, albeit at a pace slightly less than original estimates. Employment-based tax receipts such as earnings and payroll taxes were up but less than the rate of inflation. Meanwhile, sales tax receipts boosted by such events as post-season baseball were on a pace to exceed current year estimates. With overall revenue growth remaining at less than two percent per year, the ability to meet the rising costs of City services as well as maintaining its infrastructure continues as a perennial challenge. The City has pursued efforts in recent years to reduce operating expenditures and staffing where possible without impacting key City services. Initiatives to reform the City's pension systems are ongoing and a major part of this overall effort. In FY15, the City will realize the first fruit of these efforts with a reduction in funding requirements of the City firefighters' pension systems. Meanwhile, funding for maintaining the City's infrastructure remains a challenge. FY15 will see the first full year of the new 3/16 sales tax for park improvements which will assist in this area by bolstering the City's funding for capital maintenance in its many regional and neighborhood parks. Meanwhile, efforts are underway for addressing long term capital needs through planning for a general obligation bond issue. City services will continue to be provided in a manner which furthers the City's overall mission, however the way in which these services are provided and the revenues from which they are funded will require continual review for alternatives to meet the ongoing funding challenges. The FY2015 Annual Operating Plan is a plan for continuing this effort over the next fiscal year and remains only a part of a longer term effort at achieving a budget that remains both balanced and sustainable for years to come. Looking

FY2015 Budget:

	<u>FY14</u>	<u>FY15p</u>
General Fund	\$479.3M	\$484.4M
Special Revenue & Other Funds	277.1M	292.0M
Enterprise Funds	<u>228.8M</u>	<u>229.5M</u>
Total	\$985.2M	\$1,005.9M



forward, most economic projections point to a continuation of the current growth cycle through the 2014 and 2015 calendar years, with modest improvements in employment and inflation remaining at or below 2%. The revenue outlook for the City reflects this restrained growth and to meet expenditures, the budget requires a careful allocation of these limited resources. On the expenditure front, the City will continue efforts to contain payroll costs particularly in regard to employee pensions and workers' compensation expenditures. FY15 will also see the first full year of local control of the Police Department and its incorporation into a department of City government. The overall budget will see a workforce that remains primarily flat as it addresses these issues and continues to meet all of its fixed obligations.

The FY2015 Annual Operating Plan allocates a total of \$1,005.9M in all funds combined. This amounts to an increase of 2.1% from the previous fiscal year. The City's general fund, with a proposed budget of \$484.4M, remains the largest component of the budget providing the bulk of City services. This is an overall net increase for the General Fund of 1.1%. The proposed City workforce in the FY2015 budget is nearly flat, containing a net increase of 7 positions. However, this includes small increases in grant and enterprise funded positions while the General Fund will see a net decrease of 2 positions.

REDUCING EXPENDITURES AND FINDING NEW WAYS TO DELIVER CITY SERVICES

Safe Neighborhoods

The total FY2015 budget for the Police Department excluding grants but including pension costs is \$175.7M. This total reflects a number of changes within the Department following the onset of local control in the current fiscal year. A number of functions within the Police Department have been assumed by other City Departments, namely, Human Resources (Personnel), Legal Unit (City Counselor), Printing (Multigraph), Building Maintenance (Facilities Management) and Vehicle Maintenance (Equipment Services Division). Meanwhile a couple of security related functions of City government have been assumed by the Police Department, namely the City Marshal and the Park Rangers unit of the Parks Division. It is hoped that the realignment of these functions to more closely match the specialties of the respective departments will ultimately result in operational efficiencies in the provision of these services. The costs of each of these units will be tracked separately throughout the fiscal year so as to gauge progress of these efforts. Meanwhile, certain aspects of the Police budget remain unaffected by local control. The plan to relocate Police headquarters from its current Tucker and Clark Street location to the newer building on Olive St. continues with the planned opening to occur in the first quarter of FY15. In the past year the Department was awarded a hiring grant for ten additional officers. The proposed budget for the Department includes the funding of two officer positions to meet local match requirements for this grant. The Department's overall uniformed strength will therefore be slightly higher in FY2015 at a total of 1,251 officers. Continued efforts at reducing



command level rank assignments should have a positive impact on the number of police officers on the street.

Police pension costs in recent years have risen to new highs as market losses over the years coupled with the cost of benefits have led to an increase in unfunded liabilities. With most of the losses now recognized, the contribution level will see a modest decline of \$0.3M in FY2015. Assuming assumptions are met going forward, these costs can be expected to show modest declines over the next several years though will remain at elevated levels. Efforts at legislative reform of the pension system, which remains a state function, and ongoing efforts for consolidation following the assumption of local control provide key opportunities for potential savings and alternatives for enhancing funding of the department.

One of the more promising benefits of the pension reform efforts to date has been realized in reduced costs of the Firefighter pension plans. The City will be contributing to two plans in FY15, the first being a contribution to the now frozen Firemen's Retirement System and the second, a contribution to the City's new Firefighters' Retirement Plan that became effective February 1, 2013. In total, contributions to the two plans in FY2015 will amount to \$10.0M which is a decrease of \$10.7M from the previous fiscal year. In addition, since the new FRP became effective during the fiscal year, there was a settlement between the two plans regarding the proper allocation of current year contributions. As a result, the City received a credit sufficient to offset the annual cost of \$1.3M in payments from a prior agreement. This is a significant reversal of a trend that had seen contribution requirements jump nearly 70% in the last five years alone. While the new plan is in full operation, it remains subject to ongoing litigation. Elsewhere in the Fire Department, a new ordinance providing a plan review function to building inspectors will result in the reduction of 7 uniformed firefighter positions previously assigned to the fire inspection unit. Overall uniform strength of the department will total 587 positions. This level of strength continues to require that two companies located in houses containing both a regular company and a hook and ladder remain inoperative on a regular basis. It is anticipated that a new firefighter promotional list will be established in FY2015 with \$150k in funds budgeted in the City's Personnel Department for this purpose. Results from a separate study of public safety services to examine such things as firehouse locations, staffing and consolidations within the Department of Public Safety are also anticipated in the coming fiscal year.

In other areas of the Department of Public Safety, the Division of Corrections saw the inmate population gradually decline to an average of just over 1,700 inmates per day at both the MSI and the City Justice Center combined. While staffing levels at the two facilities will remain the same, Corrections will continue to see increases in costs of approximately \$0.4M in contractual services costs primarily related to the provision of inmate medical services.



Attractive Parks and Recreation

The City anticipates closing by the end of April on a new City Parks bond issue to provide up to \$26M in capital improvements to parks citywide. Funding for the bonds is being provided through a number of sales tax funds that have been approved in recent years and dedicated to Parks improvements. One of these taxes, a new 3/16 sales tax that went into effect on October 1, 2013, will provide an estimated \$2.4M per year for local parks improvements. This represents the City's 40% share of this new parks tax. The other 60% is allocated to the Metropolitan Parks and Recreation district and is being utilized for funding a regional effort known as the City Arch River project to improve the Arch grounds. That project is currently underway. Elsewhere in the Parks Department, the Park Ranger function which provides security in parks is being moved to become a unit of the Police Department. Despite limited funding, the Parks Division will continue to maintain a two week cutting cycle for its seasonal turf maintenance crews during the crucial portions of the growing season. The Forestry Division, which services vacant lots and buildings, will see a \$100k cut in per performance personnel which may limit the length of the cutting season. The Division maintains its goal of 4 vacant building and 8 vacant lot rotations from April to September to ensure both the appearance and desirability of these properties throughout the City.

Affordable Housing

As in the previous three fiscal years, the FY2015 budget proposes an Affordable Housing Commission allocation of \$4.5M. This is \$0.5M less than the normal allocation. It is proposed that these funds would be made available for helping meet revenue shortfalls in the Local Use Tax Fund. However, the Affordable Housing budget will be supplemented with an additional appropriation of \$600,000 in existing fund balances thus providing \$5.0M for housing subsidy assistance programs. These funds will also continue to be supplemented with community development block grant funds that will be awarded and appropriated later in the fiscal year.

Efficient Transportation

In 2013, the North Tucker project was opened to traffic. This project included the demolition of a bridge structure that was deteriorating, filled in the voided space below the bridge and created a surface level street. The project includes a landscaped median, new decorative lighting, traffic signals and replacement of the elevated Interco Plaza. It connects to the approaches to the new Mississippi River Bridge constructed by MoDOT. Access to and from the downtown business district, venues such as the Convention Center and Edward Jones Dome are greatly improved as the result of the project. Design is also being finalized on the Kingshighway Bridge at Shaw and will be bid in 2014. This project consists of replacement of one long bridge and roadway along Kingshighway between Shaw Ave. and Vandeventer/Southwest Avenues with two short span structures. The project will eliminate the fly ramps along the east and west sides of the current bridge.



The structure will be widened to accommodate six traffic lanes with a sidewalk on the west side. Shaw Avenue on the east side of Kingshighway will be shifted to the south to align with Shaw Avenue on the west. A new ramp and left turn lane from I-44 and south bound Kingshighway will be created. This will allow for better access to the Botanical Garden. Landscaping will take place along Shaw as well as decorative street lights to match the new standards along Shaw at Vandeventer Avenue. Funding will come from the Federal Highway Administration, Union Pacific Railroad and the City. Other projects of note include River des Peres Blvd. and Chippewa Street where improvements for pedestrians using the corridor to cross the River Des Peres channel and access residential and business districts are being made. Work will also proceed on curb ramps and sidewalks that meet ADA requirements. Another project involves the rehabilitation of Fourth and Broadway Streets, two north-south arterials in major activity centers and business districts. From an operational standpoint, in the Streets Division, an additional \$750,000 has been allocated for salt purchases to help maintain the City's stockpile. During this past winter season, it is estimated that the City utilized over 25,000 tons of salt or over twice the normal usage amount and moved to purchase an additional 10,000 tons during the fiscal year. With the allocated increase, a total of \$1.0M will be budgeted for purchasing an additional 20,000 tons in preparation for the next winter season. Reductions in some vacant positions and salary savings in other divisions of the Department are being utilized to offset a portion of this increase. The Traffic Division will see an increase of \$130,000 related to meet the rising cost of street lighting supplies. In the past year, both revenues from the Refuse collection fee as well as revenue from the sale of recycled waste saw declines and are projected to remain approximately \$200,000 below FY13 levels in the next fiscal year. The FY15 budget however, also anticipates continued reductions in the volume of municipal solid waste going to the City's transfer station and the budget for waste disposal is expected to drop by close to \$100,000.

Citizenry of Good Health and Well Being

The City's Department of Health will be realigning a number of staff and managerial positions to provide a better match with existing health care priorities. These personnel changes will be geared toward strengthening abilities to address lead testing with existing staff, add capacity to the women and children's health programs, increase capacity to manage communicable and sexually transmitted diseases and align the health management team's span of control more equitably. In the past year, the Health Department faced an additional challenge resulting from the closing of ConnectCare and has worked with various federally funded health clinics throughout the City to fill in the gaps for these services, particularly with regard to sexually transmitted diseases and TB. The budget for FY15 includes an increase of approximately \$40,000 in rental costs plus additional equipment funds for the relocation of the TB clinic previously housed at the ConnectCare site on Delmar. Elsewhere within the Department, the Animal Regulation Center cites continued improvements in the numbers animal adoptions and a marked decline in its euthanasia rate since its move to its new facility on Clark Street in FY2013. Animal Control reports that from 2011 to 2013 animal intake



increased 56%, the live release rate increased from 43% to 55% and euthanasia rates declined from 51% to 38% and they are on track to outperform these marks in the current year. The Center will continue its partnership with Stray Rescue and Animal House for adoption of stray animals and a reduction in the euthanization rate in the City. The Health Division will also continue to enforce new food inspection ordinances which expanded the range of inspections to include groceries to reduce the risk of food borne ailments in the prior year.

Vibrant and Diverse Economy

Economic development remains a crucial element in securing the jobs and business investment necessary to sustain a stable and diverse revenue base. Entrepreneurial growth soared in 2013, as over fifty startup companies came onto the radar, and the amount of venture capital increased by more than six-fold over 2012 numbers. Many of these startups are housed at T-REX, the co working and technology incubator in downtown St. Louis; T-REX experienced its own growth this year by working with the Partnership for Downtown St. Louis, the St. Louis Regional Chamber, and the St. Louis Development Corporation to purchase the 160,000 square-foot Lammert Building on Washington Avenue. T-REX moved its 72 startup companies into the Lammert which has ample room for expansion.

The BJC Hospital Complex and the CORTEX District stayed in the headlines, as BJC HealthCare, St. Louis Children's Hospital, Washington University School of Medicine, and St. Louis College of Pharmacy announced new expansion plans. At BJC HealthCare, demolition is underway in preparation for two 12-story medical towers on Kingshighway. St. Louis College of Pharmacy is building a 213,000 square foot building to include classrooms and research facilities. However, the biggest news out of CORTEX was the announcement that Swedish retailer IKEA will open in fall 2015 at the intersection of Vandeventer and Forest Park Parkway at a projected cost of \$110M. The 380,000-square-foot store is projected to generate \$250 million in new taxes, bring about 500 construction jobs, and house 300 full-time workers. The St. Louis store will be the first IKEA location in Missouri. Other CORTEX District projects under construction in 2013 include the new Shriners' Hospital, @4240, and BJC @ The Commons. Both the 180,000 square foot @4240 and the 200,000 square foot BJC @ The Commons office buildings are 100% occupied. Cortex Commons, a planned green space along Boyle Avenue, is under construction and will beautify the north-south spine of CORTEX.

Announcements of residential construction highlighted growing demand for the central corridor. From downtown to Dogtown, developments set to break ground in 2014 will result in over 1,000 new residential units in the City. Downtown, the Tower at OPOP (Old Post Office Plaza) opens in spring 2014; construction on the Arcade and Chemical buildings, two long-vacant historic gems on OPOP, is scheduled to begin in 2014. Down the street on Locust, the Alverne is scheduled for an overhaul as well. In Midtown and the Central West



End, multiple large-scale residential projects are underway. One of these developments, CityWalk, will be home to the City's first Whole Foods, scheduled to open in 2015.

Effective and Efficient Government

The effort to provide services both effectively and efficiently is all the more important when operating in an environment of tight budgetary constraints. The FY2015 Annual Operating Plan includes a number of items affecting the overall costs of government as well as efforts to keep these costs in check.

Employee Pay and Benefits

Similar to the prior fiscal year, in FY2014, the City provided for merit pay increases of 2% for most employees. Uniformed fire and police employees received similar pay increases consisting of matrix step increases and a general 1% pay increase effective in the middle of the fiscal year. As the merit pay and other pay increases become effective on employee anniversary dates, payroll costs for the fiscal year were effectively higher by a portion of the annual cost or approximately 1%. The full year impact of these pay increases will total approximately \$7.4M in all funds consisting of \$5.2M for non-uniformed employees and \$2.2M for uniformed fire and police employees. For the general fund, the full year impact will be \$3.4M and \$2.1M respectively. While pay negotiations are continuing for the pay plan beginning in FY2015, should another merit increase be approved, it is assumed that departments will absorb the effective 1% of pay impact with the full year's cost to be incorporated into the budget the following fiscal year. Details for implementation of pay increases are subject to final pay negotiations and approval of a City pay plan. It is assumed that uniformed Police and Fire employees will continue to receive matrix step increases. The impact of the matrix increases alone are estimated at \$1.1M and \$0.4M for Police and Fire budgets, respectively. The cost of health insurance for City employees is expected to rise 10% in FY2015. However, with the City paying an additional \$845,000 in funds in the prior year to replenish the employee benefits fund, the effective increase in the budget is just over 5%. This will total \$1.5M in all funds of which approximately \$1.3M is in the general fund. The Police Department, meanwhile, continues to maintain a separate health plan for retirees and employees of the department in service prior to the onset of local control. Having encumbered approximately \$3.0M in funds from the prior year for addressing health care costs in the current fiscal year, the FY15 Police budget will see an increase of \$4.4M in health insurance budget amounts representing both the rise in insurance costs as well as the expiration of the one-time encumbered amount. Pension costs are budgeted to decline by a total of \$13.6M in all funds. Approximately \$12M of this reduction is related to recent reform efforts of the firefighters' pension plans discussed earlier, while ERS and PRS contributions will decline by \$1.3M and \$0.3M, respectively, due primarily to market gains of the respective systems. The FY2015 budget also includes a change in how the City's workers' compensation costs are allocated. Previously contained in a Citywide account and often overspent, the costs for those departments with claims greater than \$75,000 per year have



been distributed to individual department budgets. A total of \$4.5M has been budgeted to address these costs for an increase of \$1.1M. This amount represents the average cost of claims incurred over the last three fiscal years with a target reduction of fifteen percent. The distribution of these costs among departments is designed to assist in the cost reduction effort. While efforts such as these and the reduction in Fire retirement costs are significant steps toward cost containment, the rising cost of pay and benefits, including pension costs of the other two systems will remain a factor in the City's ability to maintain the workforce necessary for meeting its service priorities.

Other Budget Items

Administrative offices in City government for the most part will see budgets either flat or slightly higher for the most part with increases restricted to pay and benefit costs discussed above with a few notable exceptions. As discussed earlier, a number of departments have assumed units of civilian employees that were previously a part of the Police Department. Among the administrative offices, these include Personnel, the City Counselor's office and Multigraph. The FY2015 budget includes a full year allocation of the costs of these units. The Department of Personnel's budget includes \$150,000 for promotional testing for the Fire Department. An additional \$600,000 has been budgeted in the City Counselor's office to address legal costs related to assuming full liability of Police judgments from the state. One major funding change of note in this category is a \$400,000 increase in funding for the Planning and Development Agency (PDA). Funded primarily through community development block grant funds, it is anticipated that as block grant funds decline, an increasing portion of PDA's functions will rely upon general revenue for continued support. In County Offices, there will be an approximate \$0.7M increase in the budget for the Election Board, as it prepares for holding four scheduled elections in FY2015. This budget typically fluctuates from year to year with election schedules.

Both the City's Equipment Services Division and Facilities Management Division of the Board of Public Service have also assumed units previously contained in the Police Department's budget and the FY15 budget contains the full cost of these functions in each of these respective divisions. The City's Equipment Services Division purchases approximately 1.3M gallons of fuel annually to keep City service vehicles running. With the assumption of the Police fleet, the division has assumed an additional 0.5 million gallons in fuel purchases. In FY2015, these additional fuel costs have been budgeted to an internal services fund created in FY2013 where costs can then be charged to individual departments so as to foster greater incentives for fuel management and conservation. This effort to control fuel usage will continue in this manner in FY2015. Contractual service and repair costs of the City's vehicle fleet are projected to ease somewhat given an \$8M lease purchase of equipment in the prior year; however an increase in the cost of servicing the Fire Department fleet will negate any decline in contractual repair costs. Meanwhile, fleet supply costs are budgeted to decline \$300,000 in

SUMMARY AND OVERVIEW



FY2015. The Facilities Management Division will see utility cost increases totaling approximately \$500,000 reflecting both increases in utility rates as well as the assumption of Police utility costs which includes the planned relocation of Police headquarters to the Olive Street facility.

NEW REVENUES AND SERVICE FEES

Part of the effort to bolster City revenues and maintain a balanced budget has involved a review of the City's fee structure and imposing fees where appropriate to recoup the cost of providing a service or adjusting fees which have not been adjusted for some time. Below is an update on some of the more recent efforts.

Refuse Collection - Update

Unlike many municipalities, the City of St. Louis had not previously charged a service fee for refuse collection. The City provided twice weekly refuse pick-up, a once per week collection of yard waste, a once per month collection of bulk waste and the opportunity for additional trash disposal at the City's refuse transfer station. In FY2011, the City began imposing a collection fee of \$11 per month to recoup the cost of these services as well as to provide funds for an additional \$3M for Citywide recycling and collection enforcement equipment purchases. Most of these purchases have now been completed. In FY2014, a review of previous collections of these fee revenues found approximately \$800,000 that was due to the City's Water Division as both Refuse and Water Divisions share the same billing statements. After adjusting for these corrections, year to date Refuse fee collection receipts were still down by about 4% year to date and are estimated to total \$14.0M in FY2015 which is down about \$200,000 from FY2013 levels.

EMS Revenues

The City's Department of Public Safety completed the transfer of the billing function of the Emergency Medical Services division of the Fire Department to a private contractor in the third quarter of FY2012. Under the old system, gross EMS revenues were projected to total \$8.0M. While actual revenues increased at the end of FY2013 to a total of \$9.3M, receipts through the third quarter of FY2014 had declined by nearly 33% despite an increase in rates that became effective in July of 2013. The Department of Public Safety reports that a lag in contractor billings has led to the decline. The revised revenue estimates for FY2014 assumes a narrowing of the lag time for collections with receipts estimated to total \$7.8M. The FY2015 budget assumes the approximately two months of collections will fall in the next fiscal year with total receipts amounting to \$11.6M.

**Other Fees**

In FY2013, the City's Building Division revised the rate structure for certificates of inspection with the additional revenue being allocated to lead poisoning prevention efforts. Actual revenue totals amounted to \$440,000 in the prior fiscal year and are estimated to exceed \$500,000 in both FY2014 and FY2015.

SPECIAL REVENUE REALLOCATIONS

Despite some anticipated revenue growth in FY2015 and in addition to the expenditure reductions and new revenues already described, the FY2015 Annual Operating Plan will continue to rely on the reallocation of a number of existing special revenues to offset the budget gap. In many instances, special funds are dedicated to supplement existing general fund services and so faced with a decline in these services, the reallocation of the supplemental revenues becomes a necessity. As in the past fiscal year, some of these reallocations, such as deferral of capital expenditures are intended to be temporary in nature while others may be more long term depending on fiscal circumstances.

Reallocation of Capital Fund Revenues

In the Capital Fund, the ½ cent sales for capital improvements is allocated by ordinance; 50% to Wards, 17% to Major Parks, 10% to Police, 3% to Recreation and 20% to Citywide projects. With only 20% for Citywide projects, the City's general fund contributes to the Capital Fund to meet the remaining balance of debt service obligations on City facilities and equipment. Of the ½ cent capital accounts, both the Citywide and Police accounts, as well as most of the Forest Park sub-account are restricted by fixed debt service commitments. Beginning in FY2011, an effective 25% of the ½ cent ward allocations and the remaining parks and recreation 1/2 cent allocations were reallocated to the Citywide account to offset the general fund's capital obligations. The proposed FY2015 annual operating plan will continue this reallocation of capital funds with respect to the Ward and Recreation accounts of about \$2.5M, while the Parks accounts will continue to receive their full allocations. The remaining ward account allocation total of \$6.5M is still an increase of approximately \$0.5M due to better than expected results in sales tax revenues received in the current fiscal year.

Reallocation of Affordable Housing and Building Demolition Funds

As previously discussed, the FY2015 budget proposes an Affordable Housing Commission allocation of \$4.5M or \$0.5M less than the normal allocation. These funds will be made available for helping meet previous revenue shortfalls in the Local Use Tax Fund. Similarly, the allocation for Building Demolition is proposed at \$1.5M, a reduction of \$1.5M from the normal allocation which will also be made available to assist with the budget gap. The reduction in available housing funds is to be targeted toward those funds typically allocated for development as opposed to social services networks. It is also proposed that \$500,000 of the \$1.5M in



demolition funds be used to support the Building and Demolition fund board-up crews which have experienced a decline in building permit revenue support. Building Demolition funds will also continue to be supplemented with community development block grant funds that will be awarded and appropriated later in the fiscal year.

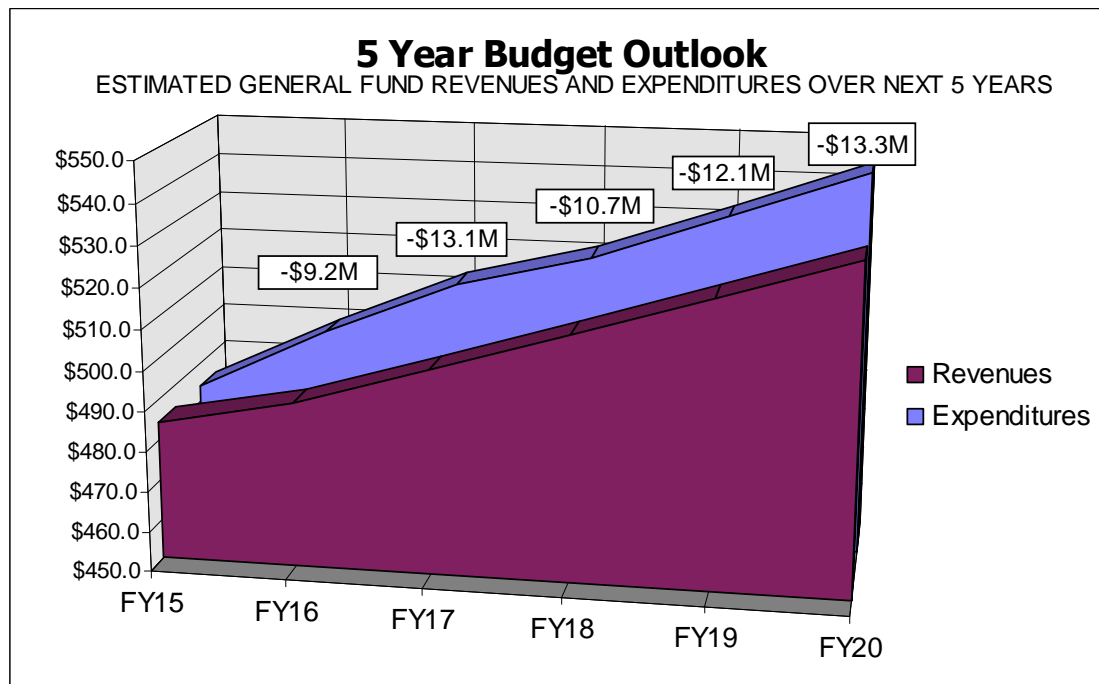
Other Fund Reallocations

Forest Park capital funds along with the other major City parks will continue to receive full funding allocations in FY2015. The Forest Park Fund which is funded with concessions and other revenues generated in the park, as in recent years will continue to assume utility costs in the Park in the amount of \$600,000 in FY2015. In FY2015, it is also proposed that \$312,000 in crime prevention funds from the ½ Cent Public Safety Sales Tax be utilized to support the Circuit Drug Court effort. This is level of funding matches that of the current fiscal year. The Drug Court was previously supported both by general revenue and ARRA grant funds which have subsequently expired.

While some of these reallocations that are continuing into FY2015 may be temporary in nature, other steps taken in this FY2015 Annual Operating Plan, including the proposed expenditure reductions in many areas of City government, new and improved ways to deliver certain City services coupled with new sources of revenue will remain essential components of ensuring sustainable and balanced budgets into the future.

**BUDGETING OVER THE LONGER TERM****Five Year Projections**

There are many variables which can affect budget projections in any given year, let alone five years out, yet for planning purposes it helps to have some sense of direction as to fiscal trends and challenges that may lie ahead. The chart below illustrates a five year projection of revenues and expenditures for the City's general fund. The City's long term growth in general revenues has been in the 2% range and aside from any sudden downturns due to recession can be reasonably be expected to continue this trend. Given that the City is required to have a balanced budget each year, expenditures have also historically followed the trend in revenues. However, this balance between revenues and expenditures has not been achieved without taking extraordinary steps in recent years (e.g. reducing payroll, deferring capital expenditures, reallocating special revenues, etc.). While the need for taking these steps has been driven in part by declines in revenues resulting from recession, with the assumption of modest revenue growth going forward, it is the growth in costs such as employee pensions and health insurance that have far outstripped revenue growth and have been the primary cause of imbalance. The expenditure projections below take into account a minimal across the board inflation assumption of 2%. In addition, five year actuarial cost projections are included for each of the City's three pension systems as well as health insurance costs which have historically increased by approximately 10% per year. Also, going forward, reallocations of special fund revenues are not presumed. Finally, allowances are made for remaining payments on City-wide debt, variances associated with alternating election year costs and the expiration of certain hiring grants. Given the above assumptions the projections indicate an underlying budget gap that will continue with modest improvement throughout the forecast period. While these assumptions and estimates will vary over time and projected gaps in any given year may not be insurmountable, the basic message from this exercise is that a structural budget imbalance remains and will continually need to be addressed.



Addressing The Longer Term Budget Challenges

Some of the notable strategies and current budget initiatives to address structural budget imbalances over the longer term include the following:

Adjusting Fixed Fee Revenues

While most of the City's tax revenues can be expected to grow with the economy, nearly one in five dollars of general revenue is derived from service and license fees that are fixed and do not grow with inflation. This serves as a drag on the overall revenue growth rate and makes it difficult for revenues to keep pace with the costs of providing City services. A continual review and updating of these fixed rates licenses and fees is a necessary part of the long term balancing effort.

Realizing Pension Reforms

The cost of the City's three pension systems, including both contributions to the systems themselves as well as the costs of servicing pension debt, will fall \$13.6M in FY15 for the first decline in six years. Part of this reduction is related to improving market conditions while another part can be directly attributed to recent efforts to reform the Firefighters' Pension system. Still, while an improvement over recent years, total pension costs will total a still lofty \$86.2M in FY15. There should continue to be a slow decline in these costs



over the next few years assuming the systems meet projected earnings targets. However, overall costs will remain high and continue to put pressure on operating budgets for the foreseeable future. The Firefighter pension reform plan that became effective in the previous year is projected to continue to provide budgetary relief in FY2015 and beyond, although remaining subject to ongoing litigation. The Police pension system remains under state legislative authority and while reforms have been proposed, these will remain subject to state legislative approval. It is anticipated that additional reforms to the City's non-uniformed employee retirement system will be required in the future as well.

Implementing Local Control of Police

Police Department operations reverted to City control in the past fiscal year. Having previously operated as a separate state controlled entity, there are a number of economies of scale that will offer the potential for operational savings. Any of these potential savings, particularly in the area of support operations can be expected to be identified and implemented over the next several years.

Financing Capital Needs

The increasing costs of building maintenance and equipment repair continue to be a growing burden on operating budgets. While deferral of capital investment is often used as a short-term budget balancing measure, over the longer term the capital needs accumulate and the impact on operations can be acute, (e.g. increasing fleet maintenance costs). While recent strides have been made to address capital needs in the City's parks, City-wide capital requirements far outpace available Capital Fund revenues. Development of a strategy to address these needs which began in the past year with the development of a Citywide capital needs inventory has progressed to planning for a potential general obligation bond issue in 2014.

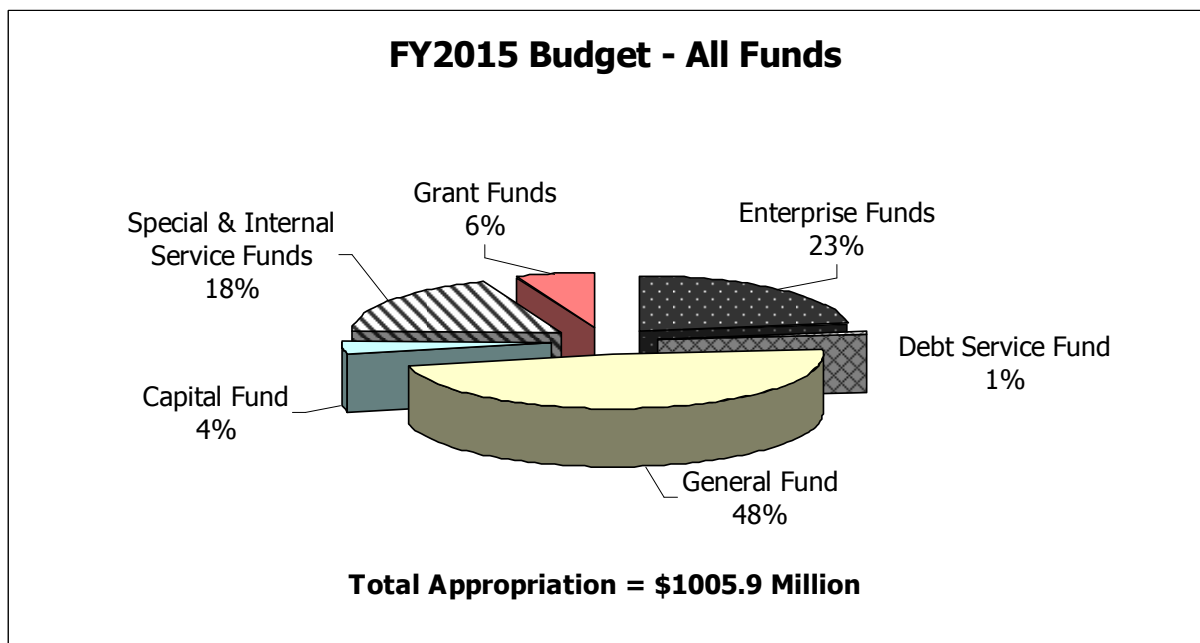
Continuing Restoration of Budget Reserves

The current funding policy is to maintain an unreserved general fund balance of 5% of the budget. During the fiscal crisis, these reserves were utilized to offset budget deficits that occurred in FY2009 and FY2010. Since that time, the City has experienced modest surpluses and is slowing rebuilding its reserves. At \$12.9 million at the end of FY2013, however, the current unreserved fund balance remains at just about half of the target. Continuing to build on reserves is an important step in ensuring that the City is in a position to withstand any potential economic downturns in the future.



FUND GROUPS

The total proposed budget for FY2015 is \$1,005.9M and is funded by a combination of local tax and fee collections, dedicated funds for 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 accounts due to legal requirements and are used to augment the services provided by the general fund. These special funds include those containing Local Use Tax proceeds, revenues from gaming operations, the cable television gross receipts tax, the state subsidy for property tax assessment, building demolition, lead abatement and other special funds. In the budget, these amounts are further broken down by departmental activities using specific projects and accounts, with appropriate 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 \$484.4M, the FY2015 general fund budget is the largest of the City funding units. Of this total, the largest allocation under the general fund is for public safety at \$265.9M. Police services including police pension costs amount to \$150.4M. The remaining public safety allocation from the general fund provides for fire protection, pre-trial inmate housing, emergency medical services and various permitting, inspection and neighborhoods stabilization activities. The general fund budget also funds the majority of park and recreation operations at \$20.5M, streets, traffic and refuse collection at \$36.0M, and general government and finance operations at \$33.3M. Functioning as both a City and County, the general fund also includes appropriations for the 22nd judicial circuit of Missouri and a number of county office functions for \$55.3M. Debt service payments for large projects funded through lease arrangements are included in the general fund allocation in the amount of \$36.3M. Lease debt payments in FY2015 include the annual lease payments on the Scottrade Center debt and the Convention Center / Stadium and City Justice Center, Civil Courts and Carnahan Courthouse complexes. The remainder of the general fund budget can be categorized as paying for public service engineering services, maintenance and operations of public buildings, and fleet services.

SPECIAL FUND OPERATIONS**Federal and State Grants**

The largest category of special funds is grant funds secured from agencies at both the State and Federal level. These funds are included in the proposed budget in the amount of \$60.6M, a 12% increase from the current fiscal year. With the onset of local control of the Police Department, expenditures from asset forfeitures have been included in this special funds category and will total \$3.2M in FY2015. After adjusting for this addition, grant fund totals are up a more modest but still respectable 5.9%. The largest portion of these grant funds are dedicated to health programs and social service programs administered by the Department of Health and the Department of Human Services, respectively. In FY2015, the Department of Human Services will administer a total of \$21.4M in grants related to services for the aging as well as HUD programs to end chronic homelessness. Combined with existing health grants, a total of \$35.4M in grant funds will be allocated for use by these two departments. Aside from the Asset Forfeiture program mentioned above, the Police Department received a grant for an additional 10 officers in the past year and combined with other grants expects to see grant receipts increase by \$2.1M. The Fire Department will continue to benefit from a SAFER grant that provided funding for 20 firefighters in the previous fiscal year. Public Safety grants overall excluding asset forfeiture funds are estimated to total \$10.9M in FY2015, an increase of \$1.6M from the



previous fiscal year. The remaining grant funds support the City's efforts in the provision of job training services through the St. Louis Agency for Training and Employment and provide administrative support for the Law Department and the Community Development Agency.

OTHER SPECIAL REVENUE FUNDS

The remaining special fund allocations in the budget come from revenues which are legally required to be accounted for separately from the general fund. This category includes the funds such as the 1/2 Cent Public Safety Sales Tax Fund, and the Employee Pension Trust Fund. Other funds include the Local Use Tax Fund which will provide approximately \$30.1M in revenue in FY2015. Programs funded by the Local Use Tax include public health care services, building demolition, affordable housing development, police services, and neighborhood preservation efforts. In FY2015, the budget will also allocate \$7.4M in revenues from gaming operations which will be used for capital improvements and the safety of the public visiting the riverfront. Special revenue funds also allocated in this budget include the Convention and Tourism fund, Assessment Fund, Communications Fund and other miscellaneous special funds for demolition of condemned buildings, and repair of sewer lines.

Debt Service Fund

The budget allocates \$6.9M in debt service payments on the City's outstanding general obligation debt. At the end of the current fiscal year, the City will have approximately \$28.1M in general obligation debt outstanding. This outstanding debt relates to issues in 1999 for public safety building improvements and fire engine fleet replacements as well as an additional issue in 2006 targeted for financing matching grants for street and bridge projects as well as floodwall repairs and for public safety communications systems. The City is currently evaluating options for pursuing a new bond issue in FY2015.

Capital Improvements Fund

The Capital Improvements Fund budget allocates \$38.7M in funds dedicated to equipment purchases and capital improvements. The sources of capital funds include a dedicated 1/2 cent sales tax, a portion of a 1/10 cent sales tax dedicated to Metro Parks, a portion of the state gasoline tax, gaming admissions receipts, proceeds from sales of City assets and in FY2015, the first full year of receipts from newly adopted 3/16 cent sales tax for park improvements. The Capital Fund budget of \$38.7M, while continuing to defer some capital projects still reflects an increase \$1.5M from the previous year with the majority of these funds allocated toward payments on a variety of lease debt agreements. The capital budget includes a reallocation of \$2.5M in 1/2 cent sales tax funds from ward and recreation improvement accounts to offset general fund debt payments on various existing City facilities. However, with sales tax receipts currently exceeding projections in the current fiscal year, amounts set aside for ward improvements will see an increase of \$0.5M in FY2015.

SUMMARY AND OVERVIEW



The addition of the new 3/16 cent sales tax is projected to provide an additional \$2.4M in its first full year for park improvements in FY2015. Many of the sales tax funds for Park improvements will be utilized for financing bonds which will provide up to \$26M park improvement funds in the coming fiscal year.

Enterprise Fund Operations

The City's Water Division and the Airport are operated as enterprise funds in that expenditures related to operations of these departments are funded through revenues generated from their operations. In FY2015, the budgets for these two departments will total \$57.6M and \$171.7M 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 7% of the Water Division's budget or \$4.2M 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 \$171.7M, the Airport is the City's second largest cost center and is supported entirely by user fees paid by airlines and concessionaires, along with federal funds. Approximately 46% 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.

Internal Service Funds

The City's internal service funds are funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies. These include the City's mailroom and employee health benefits fund. Appropriations for these funds total \$0.9M and \$54.2M respectively with the latter including a total of \$7.9M for health insurance for active Police employees which will be paid through this fund. FY2015 will mark the third year of a new internal service fund for allocating the costs of fuel purchased by the City's Equipment Services Division to the various user departments. Total fuel costs are projected to total \$7.4M an increase of \$3M, reflecting the integration of Police Department purchases within this fund.



SUMMARY

In summary, the total budget appropriation for FY2015 is \$1,005.9M, a 2.1% increase compared to the previous fiscal year. The General Fund which serves as the main operating fund for funding major City services totals \$484.4M. This represents about 48% of the total amount or just under half of the total budget. City general funds are supplemented by a total of \$60.6M 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 ordinances or agreements. The FY2015 Annual Operating Plan is a continued effort to adequately allocate the resources necessary to maintain the City's many service needs. In an environment pitting limited resources against the growing costs of providing services, these efforts in recent years have included cost reductions across most departments of City government, new and improved ways of delivering City services, efforts to control pension costs and workers' compensation claims, new revenue proposals as well as reallocations of existing sources of revenue. In continuing these steps, the FY2015 Annual Operating Plan is emphasizing the preservation of core City services deemed most essential to residents, visitors and businesses alike and that the City's mission of pursuing and ensuring a high quality of life remains sustainable in the years to come.



FY2015 Annual Operating Plan Highlights

- \$5.2M increase for full year impact of prior year pay increases for City employees from all funds plus \$2.2M for matrix step and other increases for uniformed Police and firefighters
- Police Dept. uniform strength to total 1,251 officers including hiring grant for 10 new officers; SLPD to move into new headquarters in new fiscal year
- Fire Pension system contributions to decline \$10.7M following implementation of pension reform plan in previous year
- Police and Employee Retirement system contributions to decline \$0.3M and \$1.3M respectively
- \$2.9M increase in all funds to meet 10% rise in cost of employee health insurance
- \$150,000 increase in the Department of Personnel for Fire Department promotional testing
- \$0.6M increase in City Counselor's office for assumption of Police judgment costs from state
- \$0.4M increase in General Fund subsidy of Planning and Development Agency
- \$3.0M increase in lease debt obligations in Citywide Accounts
- \$1.1M increase in Worker's Compensation costs to reflect actual trends and new initiative to reduce by costs by 15%
- \$0.7M increase in costs of the Election Board due to schedule of four elections in fiscal year
- \$130,000 increase in Traffic Division street lighting supply costs to meet continued repair needs
- \$750,000 increase in Street Division for salt supply purchases following severe winter season
- \$100,000 reduction in anticipated waste tipping fee costs of the Refuse Division
- \$0.4M increase in contractual medical costs of Corrections Division
- \$0.5M increase in utility costs for City buildings in the Facilities Management Division
- \$2.5M in reallocated ½ cent capital revenues to offset citywide capital debt service costs
- Capital improvements budget of \$38.7M an increase of \$1.5M from previous fiscal year
- Continued reallocation of \$0.5M in Affordable Housing and \$1.5M in Building Demolition funds to assist in bridging budget gap.
- Personnel totals nearly flat with net increase of 7 positions in all funds



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. Also included is information regarding the City budget process, vision and goals.

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

Capital Improvements: The City's FY2015 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, trends in personnel, etc. A glossary of key terms and acronyms is provided for the convenience of readers. Also included are selected demographic, social and economic statistics and indicators.



BUDGET OVERVIEW

FY2015 ANNUAL OPERATING PLAN

This section presents summary information on the FY2015 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 FY2015.

ECONOMIC OUTLOOK

U. S. Economic Outlook

The annual rate of real growth in the gross domestic product for 2013 was 1.9% according to the U.S. Bureau of Economic Analysis. This compares to an increase of 2.8% in the prior year. As in the prior year, most of the growth in GDP was attributed to growth in personal consumption expenditures, nonresidential fixed investment, exports, and a rise in residential investment offset in part by a decline in government spending. Meanwhile, the growth rate indicates that while expansion had continued, it had done so at a slower rate. There were some bright spots in the fourth quarter as consumer spending was reported to have risen 3.3%,

Key Economic Indicators

Change in U.S. GDP 2012 **+1.9%**

Change in CPI 12 mos. ending February, 2013 **+1.1%**

Unemployment
U.S. (Mar'14) **6.7%**
Missouri (Feb'14p) **6.4%**
City (Jan'14p) **9.0%**

Source: U.S. Bureau of Labor Statistics

the highest in three years, with GDP for the quarter rising 2.6%. On the employment front, the Bureau of Labor Statistics reports that non-farm payroll employment increased by 192,000 jobs in March 2014 and that the national unemployment rate was holding steady at 6.7%. While the unemployment rate has seen a steady decline over the past year, dropping 0.8%, the job creation totals continue to lag what is generally considered necessary to return to full employment. As an indication of the continued mixed progress, the

Federal Reserve cited sufficient improvement in economic conditions to scale back the level of its asset purchase program as a tool to stimulate economic activity but in the meantime continued to maintain the federal funds rate at near record low levels. The Fed has reaffirmed its policy to maintain its accommodative stance for long as necessary to move toward full employment and while inflation remains below 2%. In 2014, most economic outlooks continue to see improvements in the housing market both in sales of existing homes and housing starts. This will further benefit employment trends in construction industries and related manufacturing. Consumer spending is also projected to show percentage gains in the mid single digits led in



part by continued growth in vehicle sales. After what is projected to be a weak, weather inhibited start, most economic projections see a gradual improvement over the year with GDP rising in the 2.5% range in 2014 and accelerating to close to 3% by 2015. Unemployment is generally projected to continue steady improvement with the rate of inflation remaining below 2% per year.

Missouri Economic Outlook

The State of Missouri cited an acceleration of economic activity at the end of 2013 with the level of employment increasing by 1.2% over the prior year. The U.S. Bureau of Labor Statistics reports that the state's unemployment rate had fallen to 6.4% by the end of February down from 6.7% a year ago. The data indicates a net gain of over 28,000 in employment for the 12 month period. Meanwhile, the state projects continued improvement in personal income levels with increases of 3.4% and 4.3% projected for 2014 and 2015 respectively.

City of St. Louis as Economic Center

The City of St. Louis is at the core of a fifteen county Metropolitan Statistical Area (MSA) covering parts of both Missouri and Illinois, and as such is the employment and entertainment center of an area containing a population of 2.8M residents. It is also the office center of the region with over 17 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 with 17% of all jobs in the MSA.

Entrepreneurial growth soared in 2013, as over fifty startup companies came onto the radar, and the amount of venture capital increased by more than six-fold over 2012 numbers. Many of these startups are housed at T-REX, the co working and technology incubator in downtown St. Louis; T-REX experienced its own growth this year by working with the Partnership for Downtown St. Louis, the St. Louis Regional Chamber, and the St. Louis Development Corporation to purchase the 160,000 square-foot Lammert Building on Washington Avenue. T-REX moved its 72 startup companies into the Lammert which has ample room for expansion.

The BJC Hospital Complex and the CORTEX District stayed in the headlines, as BJC HealthCare, St. Louis Children's Hospital, Washington University School of Medicine, and St. Louis College of Pharmacy announced new expansion plans. At BJC HealthCare, demolition is underway in preparation for two 12-story medical towers on Kingshighway. St. Louis College of Pharmacy is building a 213,000 square foot building to include classrooms and research facilities. However, the biggest news out of CORTEX was the announcement that Swedish retailer IKEA will open in fall 2015 at the intersection of Vandeventer and Forest Park Parkway at a



projected cost of \$110M. The 380,000-square-foot store is projected to generate \$250 million in new taxes, bring about 500 construction jobs, and house 300 full-time workers. The St. Louis store will be the first IKEA location in Missouri. Other CORTEX District projects under construction in 2013 include the new Shriner's Hospital, @4240, and BJC @ The Commons. Both the 180,000 square foot @4240 and the 200,000 square foot BJC @ The Commons office buildings are 100% occupied. Cortex Commons, a planned green space along Boyle Avenue, is under construction and will beautify the north-south spine of CORTEX.

Announcements of residential construction highlighted growing demand for the central corridor. From downtown to Dogtown, developments set to break ground in 2014 will result in over 1,000 new residential units in the City. Downtown, the Tower at OPOP (Old Post Office Plaza) opens in spring 2014; construction on the Arcade and Chemical buildings, two long-vacant historic gems on OPOP, is scheduled to begin in 2014. Down the street on Locust, the Alverne is scheduled for an overhaul as well. In Midtown and the Central West End, multiple large-scale residential projects are underway. One of these developments, CityWalk, will be home to the City's first Whole Foods, scheduled to open in 2015.

City Economic Outlook

As has been consistent with most recent reports of the Eighth District of the Federal Reserve located in St. Louis, economic activity in the St. Louis district was reported to have expanded at a moderate pace. Retail sales were reported as up slightly in the quarter compared to the prior year with auto sales continuing to produce mixed results. Improvements were also cited in both residential and commercial real estate market conditions and home sales as of December, 2013 in the St. Louis region were reported to have increased four percent over the prior year. Reports for wages and employment levels as well as prices were either unchanged or increased for a majority of respondents. The unemployment rate in the City as reported by the Bureau of Labor Statistics was at a seasonally unadjusted 9.0% in January, 2014 or about 0.3% lower than the corrected level from the same time a year ago. The number of jobs and the rate of unemployment is expected to show continued although slow improvement as the national job picture also improves. Retail sales as indicated by sales tax receipts have increased in the past fiscal year, with benefit from events such as major league baseball's World Series in the fall of 2013. Sales tax receipts have risen 3% through the end of April, while the long term trend remains at 0.5%. Meanwhile, payroll spending showed continued growth but at the modest pace of 1.8% through the third quarter of FY2014. It is anticipated that the City will continue to participate in the current economic growth cycle; however employment growth and improvements in housing and building activity are expected to occur at a slow and gradual pace.



GENERAL FUND OVERVIEW

Sources of Funds

General fund revenues for FY2015 are forecast at \$484.4M, an increase of 1.6% over the current year's revised estimate of \$476.9M. Revenue growth projections for most major tax sources are expected to grow collectively by approximately 1.3% with these revenues supplemented by departmental receipts and license fees. Major revenues such as the Earnings tax, are projected to maintain underlying growth of approximately 1.8%. Sales tax receipts, on the other hand were tracking above trend in the current fiscal year aided by non-recurring events and are thus projected to see a modest decline of 0.7% in FY2015. Other revenues, such as property tax receipts which are projected to rise by 1.7% in the current fiscal year are expected to show similar results in the coming year. Most franchise utility taxes and departmental receipts are projected to increase approximately 1.5% collectively. These estimates reflect an assumption of continued growth in the national and local economies although at the previously described slow and steady pace.

Earnings and Payroll Tax

The Earnings tax, the largest single revenue producer, has remained in positive territory throughout the past fiscal year with growth falling just shy of long term trends. Individual withholding taxes were up 1.8% through third quarter of FY2014, suggesting that payrolls while growing are still struggling to keep up with the rate of inflation. Corporate receipts, on the other hand have continued to show healthy growth. These receipts which represent about 15% of total earnings tax revenues were up 8.5% through the third quarter. Changes in processing times and the fact that most corporate returns are filed in the fiscal fourth quarter will create some variability in these results. The underlying trend continues to suggest that while corporate results continue to be strong, this has not as of yet been translated into corresponding improvements in employment. The Payroll tax, with a slightly different base that is more heavily weighted toward the private sector, and after showing respectable gains in the previous fiscal year, has declined 0.9% through the end of the third quarter, with growth expected to more closely follow the earnings tax trend in FY2015.

In November, 2010, voters in the State of Missouri approved a proposition requiring that those cities in the state with an existing earnings tax submit the tax to a retention vote every five years. If not successfully passed, the earnings tax would be phased out over a ten year period. City voters approved the first of these retention votes in April, 2011 with an 88% approval rate.

Property Tax

City property tax receipts have shown modest increases with receipts from both real and personal property up 1.7% and 5.0% respectively and 2.3% overall through the third quarter of FY2014. While often fluctuating



from year to year, property tax receipts have generally shown a growth rate of approximately 1.5% in recent years and this rate of growth is assumed to continue in FY2015. Reassessment of property values are conducted in every odd numbered year so the next reassessment is scheduled for the 2015 calendar year. While the City's property tax levy remains below its statutory limit and thus it can continue to be adjusted to make up for declines in valuation, continued delays in the recovery to the real estate market could serve as a constraint on growth in property tax receipts in the future.

Sales Tax

Sales tax receipts had increased 3% through the end of April of 2014. This puts receipts are on a pace to outperform budgeted receipt totals. The FY2014 year-to-date performance can be attributed in part by one time events in this past year. Historically, the sales tax has been more vulnerable to declines in economic activity and the long term growth rate has remained at or below 1% per year. Major events such as post-season baseball, NCAA tournaments and the like often provide an additional boost to receipts in the years in which they occur. The sales tax estimates for FY2015 assumes a slight decline of 0.7% in receipts following a year that received just such a boost in returns.

Intergovernmental Revenues

The City receives certain revenues from the state of Missouri based on formulas which take into account the City's population as a percent of the state total. These include state gasoline taxes and vehicle sales taxes that were negatively impacted in recent years following a decline in the last census. In FY2014, gasoline tax receipts, having stabilized in the previous year, were up 0.6% through the fiscal third quarter. Meanwhile, auto sales tax receipts had climbed 6.1% in the same period. Receipts for FY2015 are projected to continue to rise at modest rates of 0.9% and 2.4% respectively. Receipts from the state for prisoner reimbursements decreased to \$5.0M in FY2014, a decline of \$0.8M for the year. These results are often impacted by the timing of payments from the state as well as their release from escrow where they are held as a pledge on the Justice Center debt in any given fiscal year. Receipts are projected at \$5.6M in FY2015. These revenues are based on the current state reimbursement rate of \$19.58 per day which remains far less than the actual cost of holding inmates at the City's two detention facilities. Inmate census populations at the City's detention facilities have been in decline over the past year and are expected to remain flat at approximately 1,700.

Franchise Utility Taxes

In FY2015, there was an actual 15% decline in cooling degree days over the summer months; however, this was offset with a severe winter season that saw a 20% increase in heating degree days over the winter months. As a result, electric utility receipts, which represent nearly half of franchise utility taxes, had climbed 8.9% through the third quarter of FY2014. Natural gas tax receipts had increased only a marginal 0.3%



through the same period as these receipts do not reflect the most recent winter months, but are expected to finish the year up over 3.5%. Steam franchise tax receipts were up over 50% however these revenues represent less than 2% of total franchise receipts. These tax receipts are expected to retreat back to historical norms in FY2015, while electric and natural gas receipts, reflecting some recent adjustments in rates, are projected to rise approximately 2.5%. Revenues from the gross receipts tax on telecommunications have seen a significant decline in FY2014, falling over 18% through the fiscal third quarter. A portion of this decline can be attributed to a release of \$1.1M from a previously restricted escrow account in the prior year. However, even with this adjustment, total receipts for the current fiscal year are on a pace to fall by 10%. Estimates for these revenues in FY2015 assume a base that is 5% lower than the prior fiscal year. Gross receipts revenues from the sales of water in FY2015 are expected to show a decline of 2% in the coming fiscal year while Airport gross receipts tax payments are projected to remain flat.

Tourism and Amusement Taxes

Restaurant and hotel tax receipt totals have seen relatively healthy results through the fiscal third quarter. Restaurant tax receipts were up 5.3% through the third quarter of the fiscal year with hotel tax receipts rising by 2.7% over the same period. Some of the same factors contributing to favorable year over year comparisons in sales tax receipts may also be a factor in this tax category. Projections for FY2015 have restaurant and hotel tax receipts rising 1.5% and 1.0% respectively over these higher levels. With the better than anticipated results in the current year, a total of \$1.2M in receipts that have accumulated in the Convention and Tourism and Sports Facility trust funds from hotel and restaurant receipts over past years will also be transferred into general revenue in FY2015. Amusement tax revenues were up by about 30% through the third quarter due mainly to the resumption of a full complement of ten home games in the NFL Rams prior season as well as a successful turnout for a professional soccer match earlier in the year. With a rise in ticket prices, FY2015 amusement tax receipts are projected to increase 3% to a total of \$2.1M.

Other License Fees

Cigarette taxes which have a historical trend of decline had actually risen slightly by 0.5% through the third quarter of FY2014. Projections for FY2015 are projected to remain flat at just under \$1.8M. The largest category of license fees remains the graduated business license (GBL). The previous fiscal year saw GBL receipts fall nearly \$400,000 to a total of \$6.9M. Receipts to date in FY2014 have shown a continued decline of over 3%. However, given the timing of receipts, mostly in May and June, results for the current fiscal year are somewhat tentative. Estimated receipts for FY2015 are expected to remain close to historical levels \$7.2M.

**Departmental Receipts**

Revenues derived from service fees and fines collected by various City Departments had declined by 13.5% through the third quarter of FY2014. A portion of this decline was due to a release in the prior year of \$2.2M in accrued City Court revenues, however after adjusting for these revenues, departmental receipts were still down nearly 9%. These year to date results reflect decreases of \$2.1M in EMS billing revenues, \$1.2M in Refuse collection fee receipts and approximately \$400,000 in revenues from Building Division permit fees. In FY2015, departmental receipts are projected to increase by a modest 1.2% over these revised estimates. This revenue estimate assumes that approximately two months of EMS receipts or about \$1.6M accrued in FY2014 will be received in the coming fiscal year. With some improvement in building and construction and a number of new commercial developments, total building permit revenue is expected to reach \$8.6M which is \$1.0M higher than revised estimates for FY2014. On the downside, City court revenues are expected to decline by approximately \$3.5M as a result of a recent court ruling on red light camera enforcement. The ruling held that these revenues could still be collected but are to be placed in escrow until such time as the court challenge to red light camera enforcement is resolved. An important component of the effort to address previously projected budget gaps is the ongoing need to review the existing fees that departments charge for various City services. Since these fees do not necessarily grow with inflation, over time they are prone to fall behind the costs of providing the services they are designed to capture. It will continue to be necessary from time to time to update the City's fee structure so that these services remain adequately supported in the future.

USES OF FUNDS

The FY2015 general fund budget is proposed at \$484.4M, an increase of 1.1% from the budget for FY2014. The following are some of the highlights of the proposed general fund budget and methods for addressing the required balance between revenues and expenditures.

Employee Pay and Benefits

Approximately 75% of the general fund budget is related to salary and benefit costs of employees. Budgets in recent years have necessarily included reductions in the City workforce as well as measures to offset the rising costs of pensions and other benefits. The FY2015 proposed general fund budget maintains staffing for most City departments with a few exceptions at current year levels. Overall, the size of the workforce will see a net increase of 7 positions. Similar to the prior fiscal year, in FY2014, the City provided for merit pay increases of 2% for most employees. Uniformed fire and police employees received similar pay increases consisting of matrix step increases and a general 1% pay increase effective in the middle of the fiscal year. As the merit pay and other pay increases become effective on employee anniversary dates, payroll costs for the fiscal year were effectively higher by a portion of the annual cost or approximately 1%. The full year impact of these pay



increases in the general fund will total \$3.4M and \$2.1M respectively. While pay negotiations are continuing for the pay plan beginning in FY2015, should another merit increase be approved, it is assumed that departments will absorb the effective 1% of pay impact with the full year's cost to be incorporated into the budget the following fiscal year. Details for implementation of pay increases are subject to final pay negotiations and approval of a City pay plan. It is assumed that uniformed Police and Fire employees will continue to receive matrix step increases. The impact of the matrix increases alone are estimated at \$1.1M and \$0.4M for Police and Fire budgets respectively. As previously discussed, the budget will see its first decrease in pension costs in over ten years as the first benefits of pension reform of the Firefighter's pension system and to a lesser extent a better market environment reduce costs of the City's other two systems. General fund pension costs for Fire, Police and Employee pension systems will decline by a total of \$9.5M, \$0.3M and \$0.5M respectively. The cost of health insurance for City employees is expected to rise 10% in FY2015. However with the City paying an additional \$845,000 in funds in the prior year to replenish the employee benefits fund, the effective increase in the budget is just over 5%. This will total \$1.3M in the general fund. The Police Department meanwhile continues to maintain a separate health plan for retirees and employees of the department in service prior to the onset of local control. Having encumbered approximately \$3.0M in funds from the prior year for addressing health care costs in the current fiscal year, the FY15 Police budget will see an increase \$4.4M in health insurance budget amounts representing both the rise in insurance costs as well as the expiration of the one-time encumbered amount.

Police and Public Safety

The Police Department and other departments of Public Safety represent about 55% of the total general fund budget. The Police Department at \$150.3M in operating and pension costs represents approximately 31% of the general fund budget and is the largest component unit of Public Safety. The FY2015 budget for the Police Department reflects the consolidation of some support units within other departments of City government while it also assumes the additional security functions of the previous Office of the City Marshal, as well as Park Rangers from the Parks Department. It is hoped that the realignment of these functions to more closely match the specialties of the respective departments will ultimately result in operational efficiencies in the provision of these services. The costs of each of these units will be tracked separately throughout the fiscal year so as to gauge progress of these efforts. Meanwhile, certain aspects of the Police budget remain unaffected by local control. The plan to relocate Police headquarters from its current Tucker and Clark Street location to the newer building on Olive St. continues with the planned opening to occur in the first quarter of FY2015. In the past year the Department was awarded a hiring grant for ten additional officers. The proposed budget for the Department includes the funding of two officer positions to meet local match requirements for this grant. The Department's overall uniformed strength will therefore be slightly higher in FY2015 at a total of 1,251 officers. Continued efforts at reducing command level rank assignments should have a positive impact on the number of



police officers on the street. In the Fire Department, a new ordinance providing a plan review function to building inspectors will result in the reduction of 7 uniformed firefighter positions previously assigned to the fire inspection unit. Overall uniform strength of the department will total 587 positions. This level of strength continues to require that two companies located in houses containing both a regular company and a hook and ladder remain inoperative on a regular basis. It is anticipated that a new firefighter promotional list will be established in FY2015 with \$150k in funds budgeted in the City's Personnel Department for this purpose. Results from a separate study of public safety services to examine such things as firehouse locations, staffing and consolidations within the Department of Public Safety are also anticipated in the coming fiscal year.

In other areas of the Department of Public Safety, the Division of Corrections saw the inmate population gradually decline to an average of just over 1,700 inmates per day at both the MSI and the City Justice Center combined. While staffing levels at the two facilities will remain the same, Corrections will continue to see increases in costs of approximately \$0.4M in contractual services costs primarily related to the provision of inmate medical services.

Judicial Offices and County Offices

With four elections scheduled in the next fiscal year, the major budget change in the County offices will be an increase in the Board of Elections budget, which will rise by approximately \$0.7M. The Circuit Court offices including Juvenile Detention will be nearly flat with a reduction of three positions at the Juvenile Division. In accordance with recently passed state legislation, the Circuit Courts budget also will reflect the consolidation of the office of the Circuit Clerk with the general operations of the Court. As in previous years and as a means for reducing the cost to general revenue, funding of about \$312,000 for the Circuit Drug Court will be provided through crime prevention funds from the Public Safety Sales Tax. This is approximately the same amount of subsidy as in the previous fiscal year.

City Wide Accounts

City-Wide Accounts refers to those items that are not department specific. These include payments for debt service on the outstanding debt of the City's convention center as well as payments to the Capital fund for other existing lease debt obligations. With the assistance of continued reallocations in ½ cent sales tax revenues within the capital fund as well as other revenue sources the City's general fund debt obligations which would otherwise have increased by approximately \$5.6M, will rise a still significant \$3.1M to a total of \$36.3M in FY2015. The amount budgeted for Workers' Compensation settlements will decline by \$3.2M as all but \$200,000 of the previous amount is being distributed to departments as an effort to control these costs in FY2015. Overall worker's compensation costs which typically exceed budget each year are budgeted at \$4.5M



for an increase of \$1.1M. This represents a targeted reduction of 15% from a three year average of these costs.

Parks Department

In the Parks Department, the Park Ranger function which provides security in parks is being moved to become a unit of the Police Department. Despite limited funding, the Parks Division will continue to maintain a two week cutting cycle for its seasonal turf maintenance crews during the crucial portions of the growing season. Meanwhile, the Forestry Division, which services vacant lots and buildings, will see an \$83,000 cut in per performance personnel which may limit the length of the cutting season. The Division maintains its goal of 4 vacant building and 8 vacant lot rotations from April to September to ensure both the appearance and desirability of these properties throughout the City. The Department will also oversee the beginning of construction related to the soon to be completed \$26M bond issue for park improvements.

Street Department

In the Street Division, an additional \$750,000 has been allocated for salt purchases to help maintain the City's stockpile. During this past winter season, it is estimated that the City utilized over 25,000 tons of salt or over twice the normal usage amount and moved to purchase an additional 10,000 tons during the fiscal year. With the allocated increase, a total of \$1.0M will be budgeted for purchasing an additional 20,000 tons in preparation for the next winter season. Reductions in some vacant positions and salary savings in other divisions of the Department are being utilized to partially offset this increase. The Traffic Division will see an increase of \$130,000 related to meet the rising cost of street lighting supplies. In the past year, both revenues from the Refuse collection fee as well as revenue from the sale of recycled waste saw declines and are projected to remain approximately \$200,000 below FY13 levels in the next fiscal year. The FY15 budget however, also anticipates continued reductions in the volume of municipal solid waste going to the City's transfer station and the budget for waste disposal is expected to drop by close to \$100,000.

Health and Human Services

The Health and Human Services departments are funded primarily with local use tax special revenues and grant funds and thus do not represent a significant portion of the general fund budget.

Board of Public Service

The Board of Public Service has responsibility for providing engineering services as well as maintaining and servicing the City's public buildings and rolling stock fleet. Both the City's Equipment Services Division and Facilities Management Division of the Board of Public Service have also assumed units previously contained in the Police Department's budget and the FY15 budget contains the full cost of these functions in each of these



respective divisions. The City's Equipment Services Division purchases approximately 1.3M gallons of fuel annually to keep City service vehicles running. With the assumption of the Police fleet, the division has assumed an additional 0.5 million gallons in fuel purchases. In FY2015, these additional fuel costs have been budgeted to an internal services fund created in FY2013 where costs can then be charged to individual departments so as to foster greater incentives for fuel management and conservation. This effort to control fuel usage will continue in this manner in FY2015. Contractual service and repair costs of the City's vehicle fleet are projected to ease somewhat given an \$8M lease purchase of equipment in the prior year; however an increase in the cost of servicing the Fire Department fleet will negate any decline in contractual repair costs. Meanwhile, fleet supply costs are budgeted to decline \$300,000 in FY2015. The Facilities Management Division will see utility cost increases totaling approximately \$500,000 reflecting both increases in utility rates as well as the assumption of Police utility costs which includes the planned relocation of Police headquarters to the Olive Street facility.

General Government and Finance

Administrative offices in City government for the most part will see budgets either flat or slightly higher for the most part with increases restricted to pay and benefit costs discussed above with a few notable exceptions. As discussed earlier, a number of departments have assumed units of civilian employees that were previously a part of the Police Department. Among the administrative offices, these include Personnel, the City Counselor's office and Multigraph. The FY2015 budget includes a full year allocation of the costs of these units. The Department of Personnel's budget includes \$150,000 for promotional testing for the Fire Department. An additional \$600,000 has been budgeted in the City Counselor's office to address legal costs related to assuming full liability of Police judgments from the state. One major funding change of note in this category is a \$400,000 increase in funding for the Planning and Development Agency (PDA). Funded primarily through community development block grant funds, it is anticipated that as block grant funds decline, an increasing portion of PDA's functions will rely upon general revenue for continued support.

These efforts of expenditure reductions and targeted investments as well as the utilization of new sources of revenue and revenue reallocations contained within this annual operating plan are designed to produce a general fund budget that while preserving core City services remains balanced both in the next fiscal year as well as into the future.

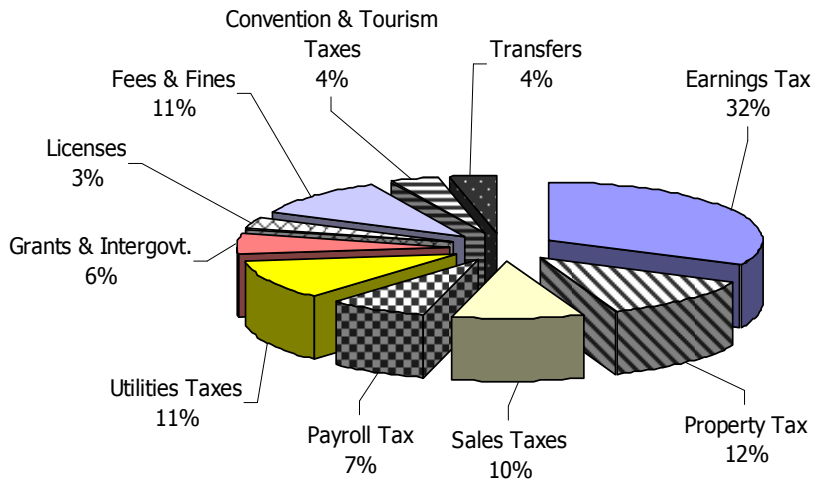


FY2015 General Fund Budget Highlights

- \$3.4M increase for full year impact of prior year pay increases for City employees from all funds plus \$2.1M for matrix step and other increases for uniformed Police and firefighters
- Police Dept. uniform strength to total 1,251 officers including hiring grant for 10 new officers; SLPD to move into new headquarters in new fiscal year
- Fire Pension system contributions to decline \$9.5M following implementation of pension reform plan in previous year
- Police and Employee Retirement system contributions to decline \$0.3M and \$0.5M respectively
- \$2.7M increase to meet 10% rise in cost of employee health insurance
- \$150,000 increase in the Department of Personnel for Fire Department promotional testing
- \$0.6M increase in City Counselor's office for assumption of Police judgment costs from state
- \$0.4M increase in General Fund subsidy of Planning and Development Agency
- \$3.0M increase in lease debt obligations in Citywide Accounts
- \$1.1M increase in Worker's Compensation costs to reflect actual trends and new initiative to reduce by costs by 15%
- \$0.7M increase in costs of the Election Board due to schedule of four elections in fiscal year
- \$130,000 increase in Traffic Division street lighting supply costs to meet continued repair needs
- \$750,000 increase in Street Division for salt supply purchases following severe winter season
- \$100,000 reduction in anticipated waste tipping fee costs of the Refuse Division
- \$0.4M increase in contractual medical costs of Corrections Division
- \$0.5M increase in utility costs for City buildings in the Facilities Management Division
- Net decrease of 2 positions in the general fund

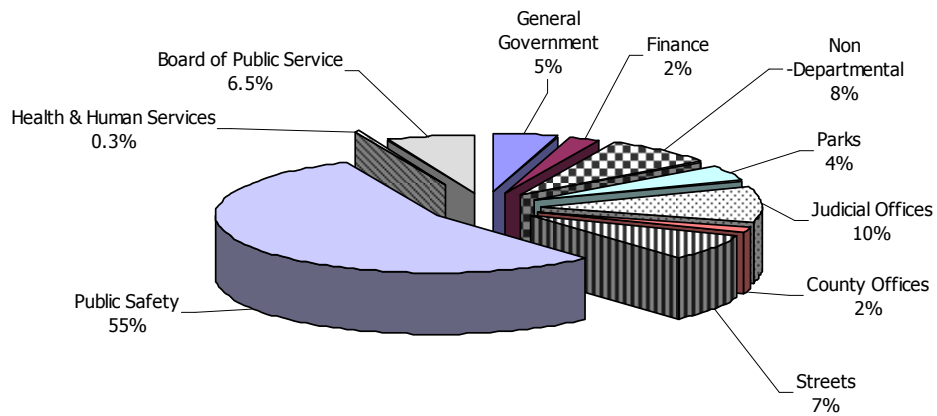


FY2015 General Fund Revenues



Total General Fund Revenues = \$484.4 Million

FY2015 General Fund Budget by Department



Total General Fund Budget = \$484.4 Million



PROJECTED OPERATING RESULTS

GENERAL FUND

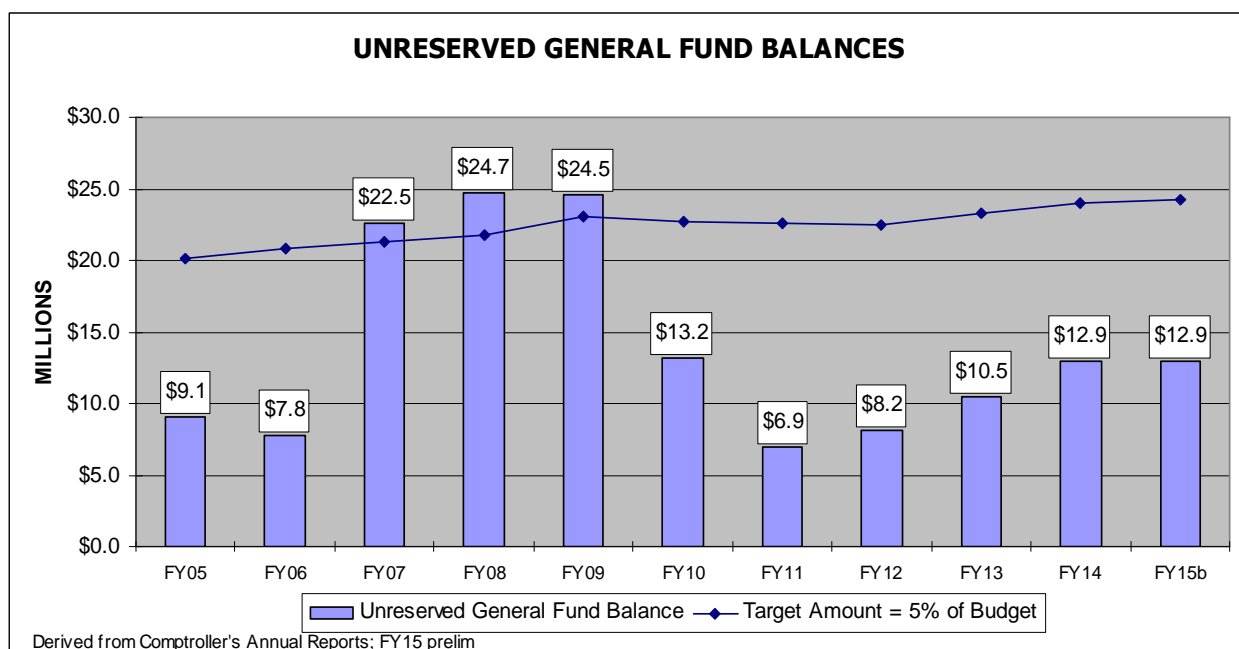
The adjacent table presents the projected general fund operating results for FY2015. The proposed general fund appropriation is balanced at \$484.4M and does not rely on any draws from the unreserved general fund balance. In recent years due to budget shortfalls, the unreserved balance has fallen below its target amount of 5% of the budget. A low unreserved balance makes the budget particularly susceptible to economic downturns. Current fiscal policy provides that ½ of any surplus at the end of the fiscal year be allocated to the Capital Improvements Fund with the remainder to be

applied toward the unreserved fund balance. Due to a small surplus at the end of FY2013, \$2.3M accrued to the fund balance. It remains a goal to continue to restore this reserve to its target amount.

FY2015

General Fund Projected Operating Results

Estimated Revenue	\$484,399,945
General Fund Appropriation	484,386,969
Operating Balance	<u>\$ 12,976</u>





OTHER FUNDS

While much of the budgetary focus is placed on discretionary spending of the General Fund, the operating balances of other funds can also have an impact on budget development.

Special Funds

In the Special Funds category, Local Use Tax revenues were up 7.2% through the end of April, 2014 and were expected to finish the year up by approximately \$1.4M to a total of \$30.1M. These results reflect the recent increase in the local use tax rate following the approval of the 3/16 sales tax for parks improvements in 2013.

It is estimated that total deposits to the **Local Use Tax Fund** will remain flat at this higher level of receipts in FY2015. Declines in previous years' use tax receipts has had an impact on the general fund budget as more of the burden of services funded with excess use tax funds depends upon general revenue support. In FY2015, factoring in the increased revenue as well as the appropriation of beginning balances in the prior year, total appropriations in the Local Use tax fund will decrease by \$0.7M. The costs of the Assessor's office reflecting payroll cost increases discussed earlier will rise approximately \$100,000 to a total of \$4.3M. This budget is funded with a fee from property taxes collections, reimbursements from the state, as well as general fund subsidy. The general fund subsidy in FY2015 is budgeted at \$1.45M, a decrease of \$300,000 taking into account what is estimated to be a similar amount as a beginning fund balance in the **Assessment Fund**. In the current fiscal year, special fund revenues for **Lead Remediation** had risen 8.2% while **Building Demolition Funds** had shown a decline of 3.2% through the third quarter. In addition to building permit fees, the Lead Remediation fund also receives a portion of certificate of inspection fees which have served to bolster revenues available for lead remediation efforts in the past two years. As to Building Demolition, it is once again proposed that in FY2015 as in the previous fiscal year, \$500,000 in local use tax funds allocated for demolition be utilized to fund board up crews to prevent any additional deficits from accruing to the fund. It is estimated even with the modest recovery in building permit activity a funding a deficit exceeding \$2.2M will remain in the demolition fund at year's end. In FY2015, **Gaming Fund** revenues are projected to total \$7.4M or approximately \$2.1M less than the prior year. This reduced amount reflects the reallocation of the \$1M annual development agreement payment between the City and Pinnacle Casinos to the consolidated City/County development agency effort that was initiated in the current fiscal year. The remaining decline in gaming funds reflects a year to date drop in gaming receipts. Regular gaming revenues have dropped just over 11% through the fiscal third quarter and are projected to remain flat at this new lower level next fiscal year. Given this decline, the total gaming fund appropriation for FY2015 will decrease by approximately \$2.7M, reflecting both the expenditure of a previous fund balances as well as a the new lower revenue base.



Enterprise Funds

In the Enterprise Funds, the **Water Division** continues to see increases in the cost of water production while at the same time many large users have reduced consumption. Recent years' increases in water rates have improved the revenue outlook although overall revenues are expected to decline by approximately 2% in the coming fiscal year. The budget for the Water Division in FY2015 will increase by \$1.3M or 2.4%. Efforts will continue to focus on reducing operating costs so as to minimize the need for future rate increases. The budget for the **Airport** at \$171.7M is a decrease of \$0.6M or 0.4%. The Airport budget reflects an increase of 4 positions and the Airport is supplementing its normal revenues with a draw of \$13.7M in rate mitigation reserves.

With sales tax receipts in FY2014 currently on track to outperform budget estimates, the **Capital Fund** budget, which receives a major portion of its revenues from the ½ cent capital sales tax and the 1/10 and 3/16 cent Metro Parks sales taxes, will include an estimated \$4000,000 in projected beginning balance amounts in FY2015.

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 \$320M. These projects will be funded through a combination of local, state and federal funds. Over the five year period, an estimated \$228M 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 FY2014 Capital Budget funds the first year of the plan with a recommended appropriation of \$37.2M. This is an increase of \$1.2M from the prior year. Given the significant challenge in balancing the City's general fund budget, a total of \$2.5M in ½ cent capital sales tax revenues from ward and recreation center accounts is proposed to be reallocated to offset existing debt payment obligations of the general fund. Other revenues supporting the capital budget include \$4.8M from projected gaming revenues, \$1.5M in courthouse restoration fees, \$630,000 in gasoline tax revenue and \$350,000 in projected proceeds from the sale of miscellaneous City assets.

Capital expenses planned for FY2015 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. Funding policy established by the Capital Committee sets a high priority on leveraging non-city funds to the maximum extent possible to effect major improvements to roads and bridges.



Ward Improvements - \$6.5M

Each of the City's 28 wards will be allocated \$231,000 in FY2015 ½ cent sales tax revenues. As previously indicated, this maintains the allocation of 75% of the normal allocation but with the addition of a projected \$241,000 in beginning fund balances, this is still an increase of 7.9% from the prior year. These funds will be allocated for projects such as neighborhood park improvements, street resurfacing, sidewalk replacement, and refuse container replacement. Actual projects are recommended by the ward alderman subject to approval by the Board of Estimate and Apportionment.

Parks and Recreation Centers - \$7.0M

The City's six major parks, Forest Park, Tower Grove, Carondelet, Fairgrounds, O'Fallon and Willmore and various neighborhood parks will share in \$2.9M in ½ cent sales tax and \$4.1M in metro parks sales tax improvement funds. Much of these revenues have been dedicated to recent parks improvement bond issues. The most recent issue consists of \$26M in improvements throughout the City's parks system. Planned projects include roadway repairs, equipment replacement and improvements to playgrounds. Annual debt service on the new bonds will total \$1.7M.

Facility Improvements - \$20.3M

Funds categorized as being for facility improvements will service previously incurred debt for construction and renovations of several City facilities. Major facilities include the City Justice Center, Civil Courthouse, Carnahan Courthouse and Juvenile Detention Center as well as the renovated City building at 1520 Market St and Police Dept. area command stations. In FY2015, \$300,000 has been allocated for miscellaneous building repairs and \$150,000 for Information Systems maintenance.

Equipment Replacement - \$3.8M

\$3.8M has been allocated to service debt payment requirements of existing rolling stock lease agreements necessary to replace vehicles in such areas as refuse collection, street cleaning, and animal regulation functions. In FY2015, a new line of credit will be obtained and for additional replacement of rolling stock up to a pre-set credit limit.

Engineering and Streets Design - \$1.1M

As in prior years, \$1.1M has been allocated to the City's Board of Public Service and Streets Department for to support planning and design and implementation of the various capital projects contained within capital improvements plan.



MAJOR FUND TYPES

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions are financed. Governmental fund categories include:

General Fund - the City's main operating fund through which the majority of City services such as police and fire protection, emergency medical services, and parks and streets maintenance are funded. Most tax receipts and other revenues not required to be accounted for in another fund are considered general revenue. General Fund expenditures account for about one-half of all City expenditures.

Special Revenue Funds - used to account for specified taxes, fees, grants or other sources of revenue that are dedicated by ordinance for a specific purpose. Funds contained in this category include government grants, the Local Use Tax Fund, the Convention and Tourism Fund, Gaming Fund, Assessment Fund, Lateral Sewer Fund, Tax Increment Financing Funds, Transportation Fund and other miscellaneous special funds.

Debt Service Fund - used to account for revenues and expenses related to the City's existing general obligation (property tax supported) debt.

Capital Project Funds – used to account for revenues and expenditures related to capital equipment purchases, public infrastructure improvements or public projects. The sources of capital funds vary from a dedicated ½ cent sales tax, to proceeds from bond issues and appropriations from the general fund.

PROPRIETARY FUNDS

Proprietary funds are used to account for activities that are similar to those found in the private sector. Proprietary fund categories include:

Enterprise Funds – used to account for funds operated similar to private business type activities; this would include the Airport and City Water Division. The Meter Division is also operated as an enterprise fund and is separately appropriated.

Internal Service Funds - used to account for activities that provide services for certain City programs and operations. These include the City mailroom, workers' compensation and employee health insurance programs.



FIDUCIARY FUNDS

Fiduciary Funds are used to account for resources held for the benefit of individuals or units outside of the City. The City serves as a trustee or has fiduciary responsibilities for the assets. These include the City's various pension funds. While contributions to these funds are appropriated, the activities of the funds themselves are not part of the appropriation process.

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

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.

FY15 REVENUE SUMMARY - ALL FUNDS (in millions)

	FY13 Actual	FY14 Revised	FY15 Budget	% Change FY14-15
<u>General Fund</u>				
Earnings Tax	\$151.0	\$153.3	\$156.1	1.8%
Property Tax	55.5	56.5	57.3	1.5%
Sales Tax	47.9	49.1	48.8	-0.7%
Payroll Tax	35.9	35.6	36.1	1.5%
Franchise (Utilities) Taxes	53.4	54.6	55.4	1.5%
License Fees	15.0	15.9	16.0	0.7%
Grants & Intergovernmental Revenues	24.7	23.7	26.8	12.7%
Department User Fees and Fines	56.4	54.3	53.0	-2.4%
Transfers	31.6	33.9	34.9	3.0%
	471.4	476.9	484.4	1.6%
<u>Special Revenue Funds</u>				
Property Tax	2.1	2.1	2.1	1.5%
Franchise (Utilities) Taxes	5.3	5.5	5.5	0.5%
Local Use Tax	28.7	30.2	30.2	0.0%
Sales Tax	21.6	22.1	22.0	-0.7%
Other Taxes	24.7	16.8	17.1	1.8%
Grants & Intergovernmental Revenues	71.0	63.3	70.1	10.7%
Department User Fees and Fines	25.1	27.0	26.8	-0.8%
Transfers	3.1	3.4	3.1	-9.0%
Fund Balances and Other Resources	8.4	6.2	5.0	-19.2%
	190.1	176.5	181.7	3.0%
<u>Debt Service Fund</u>				
Property Tax	6.3	8.7	5.1	-41.5%
<u>Capital Improvement Funds</u>				
1/2 Cent Sales Tax	17.4	17.9	17.8	-0.6%
Metro Parks Sales Tax- 1/10	1.6	1.6	1.6	-0.5%
Metro Parks Sales Tax- 3/16	0.0	1.4	2.4	72.5%
Grants & Intergovernmental Revenues	0.6	0.6	0.6	0.0%
Department User Fees and Fines	1.5	1.5	1.5	0.0%
Transfers	6.0	14.4	11.4	-20.8%
Other Resources	3.4	0.6	0.7	17.6%
Balances / Surpluses Previous Years	0.0	-0.4	2.7	-706.7%
	30.5	37.5	38.7	3.1%
<u>Enterprise Funds</u>				
Franchise (Utilities) Taxes	5.2	5.3	5.2	-2.0%
Enterprise Revenues	236.1	240.8	234.8	-2.5%
	241.3	246.1	240.1	-2.5%
<u>Internal Service Funds</u>				
Department User Fees and Fines	41.6	45.1	54.7	21.1%
Equipment Services Fuel Fund	4.7	4.8	7.4	52.7%
Total General Appropriation	\$985.8	\$995.8	\$1012.1	1.6%
<u>Funds Appropriated Separately</u>				
Community Development & Housing Grants ¹	\$25.2	\$16.0	\$15.4	-3.2%
Street Improvement Fund	5.1	5.0	5.5	10.0%
Transportation Fund Revenues	35.7	30.1	30.2	0.4%
Parking Division Revenues	17.5	14.4	14.7	2.0%
	83.5	65.5	65.9	0.6%
Total All Sources	\$1069.2	\$1061.3	\$1078.0	1.6%

¹ Excluding CDBG in general appropriations

FY15 BUDGET SUMMARY - ALL FUNDS (in millions)

	FY13 Actual	FY14 Budget	FY15 Budget	% Change FY14-15
<u>General Fund</u>	\$461.1	\$479.3	\$484.4	1.1%
<u>Special Revenue Funds</u>				
Assessment Fund	4.2	4.2	4.3	1.9%
Convention and Tourism Fund	5.2	5.5	6.1	9.6%
Public Safety Trust Fund	22.3	20.4	21.0	3.2%
Neighborhood Parks Fund	8.1	9.2	8.7	-5.5%
Convention and Sport Facility Trust Fund	7.6	8.5	8.7	3.0%
Lateral Sewer Fund	2.7	2.8	2.6	-8.7%
Cable Communications Fund	0.9	0.9	0.9	-1.8%
Port Authority	1.8	1.2	1.3	1.9%
Riverfront Gaming Fund	11.6	8.0	5.3	-33.6%
Local Use Tax Fund	29.6	33.2	32.5	-2.1%
Other Special Revenue Funds	32.9	33.3	31.9	-4.0%
	126.8	127.4	123.4	-3.1%
<u>Grant Funds</u>				
St. Louis Agency on Training and Employment	8.6	3.9	4.0	2.5%
Community Development (excl. separate approp.)	6.5	7.0	5.8	-16.4%
Health and Human Services	25.6	32.5	35.1	7.7%
Police Department	8.4	6.2	11.5	87.0%
Other Grants	8.4	4.3	4.2	-2.2%
	57.4	53.9	60.6	12.5%
<u>Debt Service Fund</u>	5.7	8.7	6.9	-21.5%
<u>Capital Funds</u>	35.3	37.2	38.7	4.0%
<u>Enterprise Funds</u>				
Water Division	49.8	56.5	57.8	2.4%
Airport Authority	159.2	172.3	171.7	-0.4%
	209.0	228.8	229.5	0.3%
<u>Internal Service Funds</u>				
Mail Room	0.5	0.9	0.9	5.1%
Fuel Services	4.4	4.4	7.4	68.1%
Employee Benefits Fund	41.6	44.7	54.2	21.3%
	46.5	49.9	62.5	25.1%
Total General Appropriation	\$941.9	\$985.2	\$1005.9	2.1%
<u>Funds Appropriated Separately</u>				
Community Development & Housing Grants ¹	\$25.2	\$16.0	\$15.4	-3.2%
Street Improvement Fund	5.1	5.0	5.5	10.0%
Transportation Fund Revenues	35.7	30.1	30.2	0.4%
Parking Division Revenues	17.5	14.4	14.7	2.0%
¹ Excluding CDBG admin. portion	83.5	65.5	65.9	0.6%
Total All Sources	\$1025.4	\$1050.7	\$1071.8	2.0%

FY14 BUDGET SUMMARY - ALL FUNDS BY DEPARTMENT

Dept. #	Department	General Fund	Special Funds Revenue	Grant	Enterprise Funds	Total Funds
<u>GENERAL GOVERNMENT</u>						
110	Board of Aldermen	2,941,480	-	-	-	2,941,480
120	Mayor's Office	1,809,455	-	-	-	1,809,455
121	St. Louis Agency on Training and Emp.	-	-	3,955,645	-	3,955,645
123	Department of Personnel	3,027,294	98,404	-	121,996	71,887,596
	Police Unit	963,928	-	-	-	-
	Employee Benefits Fund	-	54,175,974	-	-	-
	Employee Pension Trust Fund	-	13,500,000	-	-	-
124	Register	183,414	-	-	-	183,414
126	Civil Rights Enforcement Agency	322,701	-	233,188	-	555,889
127	Information Tech. Service Agency	5,480,180	-	-	-	5,480,180
137	Budget Division	441,259	-	-	-	441,259
139	City Counselor	5,544,069	592,607	788,655	-	8,368,483
	Police Unit	1,443,152	-	-	-	-
141	Planing and Urban Design	512,543	-	980,617	-	1,493,160
142	Comm. Development Administration	-	-	2,558,904	-	2,558,904
143	Affordable Housing Commission	-	5,595,438	-	-	5,595,438
	Subtotal	22,669,475	73,962,423	8,517,009	-	105,270,903
<u>FINANCE</u>						
160	Comptroller	8,215,999	-	-	99,277	15,486,646
	Gateway Transportation Ctr.	-	1,343,704	-	-	-
	Lateral Sewer Fund	-	60,176	-	-	-
	Tax Increment Financings	-	615,704	-	-	-
	Trustee Lease Fund	-	5,021,675	-	-	-
	Grant and Other Funds	-	-	130,111	-	-
162	Municipal Garage	345,418	-	-	-	345,418
163	Microfilm	379,743	-	-	-	379,743
170	Supply Commissioner	730,834	-	-	-	730,834
171	Multigraph	819,500	-	-	-	934,658
	Police Unit	115,158	-	-	-	-
172	Mail Room	-	897,908	-	-	897,908
180	Assessor	-	4,299,660	-	-	4,299,660
	Subtotal	10,606,652	12,238,827	130,111	-	23,074,867
<u>NON-DEPARTMENTAL</u>						
190	City Wide Accounts	40,615,258	-	-	-	49,180,258
	Convention and Tourism Fund	-	6,065,000	-	-	-
	Riverfront Gaming Fund	-	2,500,000	-	-	-
	Subtotal	40,615,258	8,565,000	-	-	49,180,258
<u>PARKS, RECREATION & FORESTRY</u>						
210	Dir. Parks, Recreation, and Forestry	596,106	8,758,190	-	-	9,354,296
213	Division of Recreation	1,393,032	-	318,037	-	1,711,069
214	Division of Forestry	8,521,521	288,163	-	-	8,809,684
215	Operation Brightside	-	-	304,871	-	304,871
220	Division of Parks	9,023,109	2,052,573	-	-	11,075,682
225	Soulard Market	229,242	-	-	-	229,242
250	Tower Grove Park	710,000	-	-	-	710,000
	Subtotal	20,473,010	11,098,926	622,908	-	32,194,844
<u>JUDICIAL OFFICES</u>						
310	Circuit Clerk	-	-	-	-	-
311	Circuit Court	8,331,446	-	-	-	8,331,446
312	Circuit Attorney	7,329,916	3,059,494	888,500	-	11,277,910
313	Board of Jury Supervisors	1,484,047	-	-	-	1,484,047
314	Probate Court	-	-	-	-	-
315	Sheriff	9,453,314	-	568,921	-	10,022,235
316	City Courts	2,665,981	-	-	-	2,665,981
317	City Marshal	-	-	-	-	-
320	Probation and Juvenile Detention	16,855,207	408,781	27,989	-	17,291,977
321	Circuit Drug Court	215,141	-	-	-	215,141
	Subtotal	46,335,052	3,468,275	1,485,410	-	51,288,737

FY14 BUDGET SUMMARY - ALL FUNDS BY DEPARTMENT

Dept. #	Department	General Fund	Special Funds Revenue	Grant	Enterprise Funds	Total Funds
<u>COUNTY OFFICES</u>						
330	Tax Equalization Board	10,500	-	-	-	10,500
331	License Collector	-	8,700,000	-	-	8,700,000
333	Recorder of Deeds	2,729,709	-	-	-	2,729,709
334	Board of Election Commissioners	3,470,511	-	-	-	3,470,511
335	Medical Examiner	2,031,541	-	50,000	-	2,081,541
340	Treasurer	739,891	-	-	-	739,891
	Subtotal	8,982,152	8,700,000	50,000	-	17,732,152
<u>PUBLIC UTILITIES</u>						
401	Communications Division	-	915,837	-	-	915,837
415	Water Division	-	-	-	57,586,303	57,586,303
420	Airport Authority	-	-	-	171,690,448	171,690,448
	Subtotal	-	915,837	-	229,276,751	230,192,588
<u>STREETS</u>						
510	Director of Streets	1,259,817	-	-	-	3,516,927
	Lateral Sewer Fund	-	2,257,110	-	-	-
511	Traffic and Lighting	9,405,515	-	-	-	9,405,515
513	Auto Towing and Storage	1,807,417	-	-	-	1,807,417
514	Street Division	7,858,858	473,786	-	-	8,332,644
516	Refuse Division	15,700,969	921,853	310,000	-	16,932,822
520	Port Authority	-	1,252,000	-	-	1,252,000
	Subtotal	36,032,576	4,904,749	310,000	-	41,247,325
<u>PUBLIC SAFETY</u>						
610	Director of Public Safety	774,551	1,000,000	291,000	-	2,065,551
611	Fire Department	55,119,395	875,000	1,473,681	-	57,468,076
612	Firefighters' Pension Systems	9,142,268	5,500,000	-	-	14,642,268
614	Office of Special Events	182,630	-	-	-	182,630
616	Excise Commissioner	448,397	-	-	-	448,397
620	Building Commissioner	7,918,157	7,439,759	479,216	-	15,837,132
622	Neighborhood Stabilization	2,715,589	-	141,524	-	2,857,113
625	CEMA	166,997	-	178,587	-	345,584
632	Medium Security Institution	16,507,408	-	-	-	16,507,408
633	City Justice Center	22,550,340	-	-	-	22,550,340
650	Police Department	117,164,295	19,417,000	11,548,098	-	151,483,975
	City Marshals	1,380,565	381,000	-	-	-
	Park Rangers	1,593,017	-	-	-	-
651	Police Retirement System	30,257,023	5,500,000	-	-	35,757,023
	Subtotal	265,920,632	40,112,759	14,112,106	-	320,145,497
<u>HEALTH AND HOSPITALS</u>						
700	Director, Health and Hospitals	-	1,889,445	1,020,641	-	2,910,086
710	Health Commissioner	-	320,037	-	-	320,037
711	Communicable Disease Control	-	1,967,614	12,368,237	-	14,335,851
714	Animal Care and Control	-	1,388,297	50,000	-	1,438,297
715	Environmental Health Services	-	1,606,508	198,257	-	1,804,765
719	Family/Community/School Health	-	1,142,759	327,600	-	1,470,359
737	Health Care Trust Fund	-	5,000,000	-	-	5,000,000
	Subtotal	-	13,314,660	13,964,735	-	27,279,395
<u>HUMAN SERVICES</u>						
800	Director of Human Services	1,417,941	466,370	21,436,936	-	23,321,247
	Subtotal	1,417,941	466,370	21,436,936	-	23,321,247
<u>BOARD OF PUBLIC SERVICE</u>						
900	President, Board of Public Service	2,670,714	691,517	-	-	3,362,231
903	Facilities Management	10,778,451	-	-	-	14,808,299
	Police Unit	4,029,848	-	-	-	-
910	Equipment Services Division	9,312,552	-	-	-	21,108,105
	Police Unit	4,397,358	-	-	-	-
	Fuel Services Fund	-	7,398,195	-	-	-
930	Soldier's Memorial	145,298	-	-	-	145,298
	Subtotal	31,334,221	8,089,712	-	-	39,423,933

FY14 BUDGET SUMMARY - ALL FUNDS BY DEPARTMENT

Dept. # Department	General Fund	Special Funds Revenue	Funds Grant	Enterprise Funds	Total Funds
CAPITAL IMPROVEMENTS FUND	-	38,704,055	-	-	38,704,055
DEBT SERVICE FUND	-	6,856,307	-	-	6,856,307
TOTAL BUDGET	\$484,386,969	\$231,397,900	\$60,629,215	\$229,498,024	\$1,005,912,108

FY15 BUDGET SUMMARY - ALL DEPARTMENTS BY FUND

Fund	Dept. #	Department	FY13 Actual	FY14 Budget	FY15 Budget
General Fund					
1010	110	Board of Aldermen	2,802,365	2,899,150	2,941,480
1010	120	Mayor's Office	1,659,098	1,868,132	1,809,455
1010	123	Department of Personnel	2,870,302	2,880,754	3,027,294
1010	1230001	Department of Personnel- Police Unit	-	880,176	963,928
1010	124	Register	173,205	178,911	183,414
1010	126	Civil Rights Enforcement Agency	312,304	314,734	322,701
1010	127	Information Tech. Services Agency	5,129,506	5,470,390	5,480,180
1010	137	Division of the Budget	408,586	435,987	441,259
1010	139	City Counselor	7,597,952	5,250,659	5,544,069
1010	1390001	City Counselor- Police Unit	-	470,712	1,443,152
1010	141	PDA	79,742	111,446	512,543
1010	160	Comptroller	7,806,562	8,053,028	8,215,999
1010	160	Comptroller- Abram Building Operations	-	-	-
1010	162	Municipal Garage	298,382	332,707	345,418
1010	163	Microfilm Section	298,001	345,487	379,743
1010	170	Supply Commissioner	692,806	692,701	730,834
1010	171	Multigraph Section	729,916	888,827	819,500
1010	1710001	Multigraph Section- Police Unit	-	60,437	115,158
1010	190	City Wide Accounts	38,082,980	42,119,061	40,615,258
1010	210	Director, Parks, Recreation & Forestry	498,586	517,202	596,106
1010	213	Division of Recreation	1,439,827	1,438,012	1,393,032
1010	214	Division of Forestry	7,748,506	8,139,521	8,521,521
1010	220	Division of Parks	10,176,841	10,006,265	9,023,109
1010	225	Soulard Market	181,807	234,707	229,242
1010	250	Tower Grove Park	700,000	700,000	710,000
1010	310	Circuit Clerk	897,511	1,005,972	-
1010	311	Circuit Court (General)	7,001,667	7,464,918	8,331,446
1010	312	Circuit Attorney	6,912,816	7,168,029	7,329,916
1010	313	Board of Jury Supervisors (Cir. Judges)	1,345,850	1,425,419	1,484,047
1010	314	Probate Court (Probate Judge)	29,661	-	-
1010	315	Sheriff	9,020,053	9,291,454	9,453,314
1010	316	City Courts	2,276,725	2,625,038	2,665,981
1010	317	City Marshal	1,366,456	310,309	-
1010	320	Probation Dept. & Juvenile Detention Ctr	16,020,980	16,761,175	16,855,207
1010	321	Circuit Drug Court	66,927	213,883	215,141
1010	330	Tax Equalization Board	6,170	12,400	10,500
1010	333	Recorder of Deeds	2,503,450	2,682,760	2,729,709
1010	334	Election and Registration	3,752,823	2,661,992	3,470,511
1010	335	Medical Examiner	1,840,695	1,981,206	2,031,541
1010	340	Treasurer	731,740	769,822	739,891
1010	510	Director of Streets	1,024,288	1,237,685	1,259,817
1010	511	Traffic and Lighting Division	9,276,703	9,238,153	9,405,515
1010	513	Auto Towing and Storage	1,554,347	1,717,461	1,807,417
1010	514	Street Division	6,546,905	7,212,923	7,858,858
1010	516	Refuse Division	15,308,731	15,481,919	15,700,969
1010	610	Director of Public Safety	724,380	617,748	774,551
1010	611	Fire Department	51,105,042	52,272,191	55,119,395
1010	612	Firefighters' Pension Systems	20,502,596	19,951,110	9,142,268
1010	614	Office of Special Events	174,341	179,017	182,630
1010	616	Excise Commissioner	420,556	440,347	448,397
1010	620	Building Commissioner	7,362,656	7,682,136	7,918,157
1010	622	Neighborhood Stabilization	2,523,751	2,651,287	2,715,589
1010	625	CEMA	320,226	165,932	166,997
1010	632	Corrections / MSI	15,157,774	15,898,689	16,507,408

FY15 BUDGET SUMMARY - ALL DEPARTMENTS BY FUND

Fund Dept. #	Department	FY13 Actual	FY14 Budget	FY15 Budget
1010 633	City Justice Center	20,853,020	21,789,841	22,550,340
1010 650	Police Department	115,880,742	112,313,839	117,164,295
1010 6500001	Police Department- City Marshals	-	1,086,647	1,380,565
1010 6500002	Police Department- Park Rangers	-	-	1,593,017
1010 651	Police Pension Fund	26,222,591	30,577,513	30,257,023
1010 800	Director of Human Services	1,325,700	1,337,998	1,417,941
1010 900	President, Board of Public Service	2,377,514	2,626,964	2,670,714
1010 903	Facilities Management	9,853,329	10,278,525	10,778,451
1010 9030001	Facilities Management- Police Unit	-	2,836,286	4,029,848
1010 910	Equipment Services Division	9,047,340	9,495,652	9,312,552
1010 9100001	Equipment Services Division- Police Unit	-	3,405,565	4,397,358
1010 930	Soldier's Memorial Building	114,679	149,455	145,298
Subtotal		461,138,009	479,308,266	484,386,969

Local Use Tax Fund

1110 123	Department of Personnel	123,168	127,529	98,404
1110 143	Affordable Housing Commission	4,219,011	5,773,497	5,595,438
1110 516	Refuse Division - Bulky Pick-up	664,605	690,289	700,116
1110 620	Bldg. Comm. - Housing Conservation	2,094,110	2,197,576	2,209,213
1110 620	Bldg. Comm. - Building Demolition	1,041,162	1,500,000	1,500,000
1110 650	Police Department	9,040,000	9,840,000	9,032,000
1110 700	Director, Health & Hospitals	1,831,863	2,000,734	1,690,445
1110 710	Health Commissioner	284,536	325,861	320,037
1110 711	Communicable Disease Control	1,708,240	1,690,458	1,967,614
1110 714	Animal Care and Control	1,125,870	1,259,444	1,328,297
1110 715	Environmental Health Services	1,287,127	1,538,168	1,606,508
1110 719	Family / Community / School Health	851,058	951,754	1,142,759
1110 737	Health Care Trust Fund	5,000,000	5,000,000	5,000,000
1110 800	Director of Human Services	309,480	345,506	346,370
1110 900	President, Board of Public Service	-	-	-
Subtotal		29,580,230	33,240,816	32,537,201

Convention and Tourism Fund

1111 160	Convention and Tourism	5,180,000	5,535,000	6,065,000
Subtotal		5,180,000	5,535,000	6,065,000

Convention and Sports Authority Trust Fund

1111 331	Convention & Sports Facility Trust	7,550,000	8,450,000	8,700,000
Subtotal		7,550,000	8,450,000	8,700,000

Demolition Fund

1113 214	Division of Forestry	9,933	-	-
1113 620	Bldg. Comm. - Bldg. Demolition	985,535	-	-
Subtotal		995,468	-	-

Assessment Fund

1115 180	Assessor	4,190,779	4,220,280	4,299,660
Subtotal		4,190,779	4,220,280	4,299,660

FY15 BUDGET SUMMARY - ALL DEPARTMENTS BY FUND

Fund	Dept. #	Department	FY13 Actual	FY14 Budget	FY15 Budget
<u>Special Revenue Funds</u>					
1116	1231000	City Employees Pension Trust Fund	13,500,000	13,500,000	13,500,000
1116	139	City Counselor	249,188	277,824	279,006
1116	1600013	Comptroller-Abram Building Operations	-	-	-
1116	1600019	Comptroller-Gateway Transportation	1,260,632	1,339,337	1,343,704
1116	1601001	Comptroller- Big Brothers & Big Sisters	8,029	-	-
1116	1601002	Comptroller- The BackStoppers Inc.	7,168	-	-
1116	210	Director PRF - Forest Park Fund	1,026,182	1,460,000	1,450,000
1116	210	Director PRF - Forest Park Maint.	-	600,000	610,000
1116	214	Division of Forestry	213,507	251,962	288,163
1116	220	Division of Parks- Downtown Vending	7,907	11,500	7,500
1116	312	Circuit Attorney (Inspire Me School)	-	-	-
1116	312	Circuit Attorney (Training Fund)	223	2,500	2,500
1116	312	Circuit Attorney (Tax Unit)	130,626	168,349	169,064
1116	312	Circuit Attorney (Child Support Unit)	1,604,152	2,194,017	2,225,574
1116	312	Circuit Attorney (HUD Unit)	65,796	74,471	74,644
1116	312	Circuit Attorney (Dept. of Labor)	-	61,777	61,777
1116	316	City Court Judicial Education Fund	-	5,000	-
1116	316	City Court Appointed Counsel Fund	500	7,500	-
1116	320	Probation Dept. & Juvenile Detention	418,865	440,055	408,781
1116	510	Dir. of Streets - Excavation/Restoration	-	-	-
1116	514	Street Div. - Excavation/Restoration	125,311	184,308	199,267
1116	516	Refuse Division	82,959	108,547	221,737
1116	520	Port Administration Division	1,484,972	1,229,203	1,252,000
1116	620	Bldg. Comm. - Code Enforcement	794,929	1,534,515	2,164,515
1116	620	Bldg. Comm. - Demolition & Board-Up	1,563,530	1,608,302	1,566,031
1116	650	Police Dept. - Peace Officer Training	156,867	175,000	250,000
1116	6500001	Police Dept. Special Revenue Fund	240,856	1,127,301	381,000
1116	700	Director, Health & Hospitals	7,361	524,000	199,000
1116	714	Animal Care and Control	10,117	60,000	60,000
1116	800	Director of Human Services	399,238	120,000	120,000
1116	900	President, Board of Public Service	2,341	677,743	691,517
1413	160	Tax Increment Financing	1,000,694	529,153	615,704
1218	160	Trustee Lease Fund	7,015,609	6,212,319	5,021,675
Subtotal			31,377,559	34,484,683	33,163,159
<u>Communications Fund</u>					
1117	127	Information Tech. Services Agency	-	-	-
1117	401	Communications Division	912,600	932,155	915,837
Subtotal			912,600	932,155	915,837
<u>Lateral Sewer Fund</u>					
1118	160	Comptroller - Lateral Sewer Line	48,353	58,919	60,176
1118	510	Director of Streets - Lateral Sewer	2,381,098	2,506,607	2,257,110
1118	514	Street Division	249,748	272,249	274,519
Subtotal			2,679,199	2,837,775	2,591,805
<u>Other Special Revenue Funds - Special Authorizations</u>					
1119	120	Mayor- Open Streets Donations	11,522	-	-
1119	139	City Counselor	293,416	-	-
1119	210	Director PRF - Forest Park Fund	932	-	-
1119	213	Division of Recreation	14,752	-	-
1119	214	Division of Forestry	22,183	-	-
1119	220	Division of Parks	137,203	-	-
1119	225	Soulard Market	4,045	-	-
1119	312	Circuit Att. (Contingency & Tax Fund)	60,325	-	-

FY15 BUDGET SUMMARY - ALL DEPARTMENTS BY FUND

Fund	Dept. #	Department	FY13 Actual	FY14 Budget	FY15 Budget
1119	315	Sheriff - Auction Proceeds	-	-	-
1119	320	Probation Dept. & Juvenile Detention	75,561	-	-
1119	321	Circuit Drug Court	-	-	-
1119	334	Election and Registration	273,682	-	-
1119	401	Communications Division	64,243	-	-
1119	511	Transportation and Traffic Division	78,694	-	-
1119	520	Port Administration Division	303,778	-	-
1119	611	Fire Department	20,267	-	-
1119	632	Corrections/MSI	21,708	-	-
1119	650	Police Dept. - Police Judgements	968,762	-	-
1119	711	Communicable Disease Control	4,511	-	-
1119	714	Animal Care and Control	3,785	-	-
1119	800	Director of Human Services	-	-	-
1119	930	Soldier's Memorial Building	4,289	-	-
Subtotal			2,363,658	-	-
<u>Public Safety Fund</u>					
1120	139	City Counselor	438,033	556,602	313,601
1120	312	Circuit Attorney	306,912	562,554	525,935
1120	650	Police - Public Safety Trust Fund	2,100,000	2,100,000	2,535,000
Subtotal			2,844,945	3,219,156	3,374,536
<u>Riverboat Gaming Fund</u>					
1121	190	City Wide - Riverfront Gaming	7,337,389	4,800,000	2,500,000
1121	611	Fire Dept. - Riverfront Gaming	4,119	25,000	25,000
1121	650	Police Dept. - Riverfront Gaming	4,250,000	3,200,000	2,800,000
Subtotal			11,591,508	8,025,000	5,325,000
<u>Parks and Recreation Special Fund</u>					
1122	2100010	Dir. of Parks - 1/8 Cent Sales Tax	3,292,731	2,939,632	3,291,032
1122	2100012	Dir. of Parks- Parks and Rec Center	1,102,642	2,123,239	597,158
1122	2100014	Dir. of Parks - Neighborhood Parks	-	-	1,210,000
1122	2100020	Dir. of Parks - Neighborhood Parks	1,277,317	1,600,000	1,600,000
1122	2200010	Parks Division - Barnes/City Trust	2,415,450	2,585,135	2,045,073
Subtotal			8,088,140	9,248,006	8,743,263
<u>Public Safety Sales Tax Fund</u>					
1123	320	Probation Dept. & Juvenile Detention	-	-	-
1123	321	Circuit Drug Court	159,897	-	-
1123	610	Public Safety-Crime Prevention	550,868	1,000,000	1,000,000
1123	6110023	Fire Department	1,000,000	825,000	850,000
1123	6120023	Fire - Public Safety Pension Trust	5,499,985	5,500,000	5,500,000
1123	6500023	Police Department	3,214,995	2,028,480	2,473,450
1123	6500123	Police Department	3,505,005	2,306,520	2,326,550
1123	6510023	Police - Public Safety Pension Trust	5,497,976	5,500,000	5,500,000
Subtotal			19,428,726	17,160,000	17,650,000
<u>Grant Funds</u>					
1140	650	Police Department - Misc. Grants	8,399,439	6,173,852	8,388,984
Subtotal			8,399,439	6,173,852	8,388,984
1142	650	Police Department - Asset Forfeiture	-	-	3,159,114
Subtotal			-	-	3,159,114
1162	121	SLATE	8,534,567	3,851,611	3,955,645
1162	160	Comptroller	30,323	36,905	29,560
Subtotal			8,564,890	3,888,516	3,985,205

FY15 BUDGET SUMMARY - ALL DEPARTMENTS BY FUND

Fund	Dept. #	Department	FY13 Actual	FY14 Budget	FY15 Budget
1163	141	Planning and Urban Design	-	-	-
1163	142	Comm. Development Administration	3,254	-	-
1163	213	Division of Recreation	-	-	-
1163	316	City Courts - Problem Properties	-	-	-
1163	620	Building Commissioner	-	-	-
1163	622	Neighborhood Stabilization	-	-	-
1163	800	Director of Human Services	-	354,000	-
1163	900	President, Board of Public Service	-	-	-
Subtotal			3,254	354,000	-
1164	141	Planning and Urban Design	22,400	-	-
1164	142	Comm. Development Administration	1,049,402	915,118	421,134
1164	620	Bldg. Commissioner	589,545	640,696	212,912
1164	700	Director, Health & Hospitals	-	144,796	-
1164	716	Lead Poisoning Control	134,602	-	-
1164	719	Family / Community / School Health	-	-	-
1164	900	President, Board of Public Service	127,592	-	-
Subtotal			1,923,541	1,700,610	634,046
1165	139	City Counselor	415,888	729,664	720,620
1165	141	Planning and Urban Design	1,227,263	1,302,799	980,617
1165	142	Comm. Development Administration	1,430,832	2,062,564	2,137,770
1165	160	Comptroller	113,231	34,602	31,839
1165	213	Division of Recreation	348,736	230,717	318,037
1165	215	Operation Brightside	289,637	269,674	304,871
1165	316	City Courts - Problem Properties	19,113	-	-
1165	320	Probation Dept. & Juvenile Detention Center	52,706	-	-
1165	5146200	Street Division- Neighborhood Street Improv.	-	-	-
1165	620	Building Commissioner	278,479	270,232	266,304
1165	622	Neighborhood Stabilization - Grant	13,256	12,094	11,339
1165	800	Director of Human Services	283,627	-	416,000
1165	900	President, Board of Public Service	78,912	-	-
Subtotal			4,551,680	4,912,346	5,187,397
1166	160	Comptroller - Health Grant Auditing	-	63,697	68,712
1166	700	Director, Health & Hospitals	1,063,151	921,422	1,020,641
1166	710	Health Commissioner	-	-	-
1166	711	Communicable Disease Control	9,171,967	11,109,978	12,368,237
1166	714	Animal Care and Control	-	11,032	50,000
1166	715	Environmental Health Services	46,482	146,456	198,257
1166	716	Lead Poisoning Control	-	-	-
1166	719	Family / Community / School Health	388,095	273,816	327,600
Subtotal			10,669,695	12,526,401	14,033,447
1167	160	Comptroller	-	-	-
1167	632	Corrections/MSI	-	-	-
1167	800	Director of Human Services	14,884,339	20,008,133	21,020,936
Subtotal			14,884,339	20,008,133	21,020,936
1168	1260800	CREA - EEOC Contract	29,173	49,766	50,864
1168	1260900	CREA-HUD Contract	160,763	169,528	182,324
1168	139	City Counselor	-	-	-
1168	160	Comptroller	101,550	-	-
1168	210	Director of Parks	-	-	-
1168	214	Division of Forestry	25,000	-	-
1168	220	Division of Parks	-	-	-

FY15 BUDGET SUMMARY - ALL DEPARTMENTS BY FUND

Fund	Dept. #	Department	FY13 Actual	FY14 Budget	FY15 Budget
1168	312	Circuit Att. - Domestic Violence	524,812	524,521	531,128
1168	315	Sheriff	245,701	285,056	568,921
1168	320	Probation Dept. & Juvenile Det. Cntr.	768,606	-	-
1168	321	Circuit Drug Court	175,215	-	-
1168	334	Election and Registration	193,452	-	-
1168	335	Medical Examiner	406	50,000	50,000
1168	516	Refuse Division - Recycling	72,258	310,000	310,000
1168	610	Director of Public Safety	-	-	-
1168	611	Fire Department	-	-	-
1168	620	Building Commissioner	-	-	-
1168	900	President, Board of Public Service	1,463,555	-	-
Subtotal			3,760,491	1,388,871	1,693,237
1169	139	City Counselor	-	66,630	68,035
1169	220	Division of Parks	-	-	-
1169	312	Circuit Att. (LLEBG/JAG/PSN)	-	526,414	357,372
1169	316	City Courts - Community Courts	-	-	-
1169	320	Probation Dept. & Juvenile Det. Cntr.	121,086	113,934	27,989
1169	321	Circuit Drug Court	-	-	-
1169	335	Medical Examiner	-	-	-
1169	610	Director of Public Safety	-	296,000	291,000
1169	611	Fire Department- SAFER Grant	3,084,402	1,617,533	1,473,681
1169	622	Neighborhood Stabilization - Grants	1,481,776	127,866	130,185
1169	625	City Emergency Management Agency	-	177,528	178,587
Subtotal			4,687,264	2,925,905	2,526,849
Subtotal			57,444,593	53,878,634	60,629,215
<u>Capital Funds</u>					
1217	160	Capital Improv. - Regular Sources	14,416,100	17,094,400	16,498,725
1219	160	Metro Parks - Sales Tax	1,173,662	2,954,000	4,075,000
1220	160	Capital Improv. - Sales Tax	19,748,324	17,160,842	18,130,330
Subtotal			35,338,086	37,209,242	38,704,055
<u>Debt Service Fund</u>					
1311	160	G.O. Debt Service (Public Safety)	5,695,771	8,735,942	6,856,307
Subtotal			5,695,771	8,735,942	6,856,307
<u>Enterprise Funds</u>					
1510	415	Water Division	49,781,742	56,458,178	57,807,576
1511	420	City of St. Louis Airport Comm.	159,173,472	172,348,031	171,690,448
Subtotal			208,955,214	228,806,209	229,498,024
<u>Internal Service Funds</u>					
1611	172	Mail Room	522,347	854,484	897,908
1612	910	Fuel Services Fund	4,398,759	4,400,000	7,398,195
1613	123	Personnel - Employee Benefits	6,916,588	7,375,122	8,819,254
1713	123	Personnel - Employee Benefits	34,700,375	37,292,641	45,356,720
1719	123	Personnel	-	-	-
1719	123	City Counselor	-	-	-
Subtotal			46,538,069	49,922,247	62,472,077
Grand Total All Funds			\$941,892,554	\$985,213,411	\$1,005,912,108

FY15 BUDGET SOURCES AND USES OF FUNDS SUMMARY (in millions)

Sources and Uses	1010 General Fund	1110 Local Use Tax Fund	Tourism Fund	Conven- tion & Sports Facility	Assess- ment Fund	1116 Special Funds	1117 Comm. Fund	Lateral Sewer Fund	Public Safety Trust Fund	Riverboat Gaming Fund	Special Park Funds	Pub Safety Sales Tax Fund	1140-42 Police Grants
Beginning Fund Balance	\$12.900	\$8.009	\$0.436	\$0.622	\$0.283	\$0.205	\$0.318	\$1.662	\$0.161	(\$2.065)	\$0.921	\$0.879	n/a
Revenues													
Earnings Tax	156.110	-	-	-	-	-	-	-	-	-	-	-	-
Property Tax	57.346	-	-	-	2.084	-	-	-	-	-	-	-	-
Sales & Use Taxes	48.750	30.100	-	-	-	-	-	-	-	-	4.406	17.550	-
Motor Vehicle Sales Tax	2.970	-	-	-	-	-	-	-	-	-	-	-	-
Gasoline Tax	8.150	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Tax	36.125	-	-	-	-	-	-	-	-	-	-	-	-
Franchise (Utilities) Taxes	55.414	-	-	-	-	-	2.950	2.590	-	-	-	-	-
Restaurant Taxes	3.002	-	5.858	-	-	-	-	-	-	-	-	-	-
3.5% Hotel Sales Tax	-	-	-	8.080	-	-	-	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
License Fees	16.027	-	-	-	-	-	-	-	3.063	-	-	-	-
Grants / Intergovernmental	15.634	-	-	-	0.420	-	-	-	-	7.400	-	-	11.548
User Fees, Fines & Other	52.050	-	-	-	0.101	27.226	-	-	-	-	-	-	-
Transfers In	32.822	-	-	-	1.450	0.500	-	-	-	-	1.600	-	-
Other Resources	0.000	0.050	-	-	-	-	-	-	-	0.000	2.000	-	-
Total Sources of Funds	\$484.399	\$30.150	\$5.858	\$8.080	\$4.055	\$27.726	\$2.950	\$2.590	\$3.063	\$7.400	\$8.006	\$17.550	\$11.548
Appropriations													
Personal Services	358.097	18.610	-	-	3.722	6.697	0.825	0.681	3.345	2.800	2.308	7.972	8.389
Materials & Supplies	14.378	0.285	-	-	0.031	0.817	0.030	0.055	0.008	0.010	0.184	0.000	0.141
Rental & Non Capital Leases	2.361	0.176	-	-	0.004	0.075	0.002	0.052	0.003	0.000	0.005	0.000	-
Non Capital Equipment	0.520	0.015	-	-	0.000	0.055	0.004	0.000	0.003	0.010	0.000	0.000	-
Capital Assets	0.279	0.027	-	-	0.000	0.169	0.000	0.000	0.000	0.000	0.000	0.000	0.885
Contractual & Other Services	68.354	12.924	0.165	-	0.543	18.347	0.046	1.804	0.016	0.005	2.955	0.948	2.133
Debt Service	28.446	0.001	-	-	-	1.365	-	-	-	-	3.291	8.730	-
Transfers Out :													
Capital Lease Payments	8.902	-	-	-	-	-	-	-	-	-	-	-	-
Other Transfers Out	3.050	0.500	5.900	8.700	-	0.200	2.360	-	-	2.500	0.000	-	-
Total Uses of Funds	\$484.387	\$32.537	\$6.065	\$8.700	\$4.300	\$27.726	\$3.266	\$2.592	\$3.375	\$5.325	\$8.743	\$17.650	\$11.548
Ending Fund Balance	\$12.913	\$5.622	\$0.229	\$0.002	\$0.038	\$0.205	\$0.002	\$1.660	(\$0.151)	\$0.010	\$0.184	\$0.779	\$0.000

FY15 BUDGET SOURCES AND USES OF FUNDS SUMMARY (in millions)

Sources and Uses	SLATE	1164-65 CDA*	1166-9 Grant Funds	Street Improve- Fund*	1217-20 Capital Improve- Funds	General Oblig. Debt Service	Tax Increment Financing	Water Division Enterprise Fund	Airport Enterprise Fund	Mail Internal Service Fund	ESD Fuel Int. Service Fund	Employee Health & Hospital Funds
Beginning Fund Balance	n/a	n/a	n/a	\$1.713	\$2.709	\$8.008	\$0.000	\$19.768	\$112.121	\$0.049	\$0.253	\$0.435
Revenues												
Property Tax	-	-	-	-	-	5.691	-	-	-	-	-	-
Sales & Use Taxes	-	-	-	-	21.798	-	-	-	-	-	-	-
Motor Vehicle Sales Tax	-	-	-	0.750	-	-	-	-	-	-	-	-
Gasoline Tax	-	-	-	-	0.630	-	-	-	-	-	-	-
Franchise (Utility) Taxes	-	-	-	4.750	-	-	-	3.033	-	-	-	-
Other Taxes	-	-	-	-	-	-	0.615	-	-	-	-	-
License Fees	-	-	-	-	-	-	-	-	-	-	-	-
Enterprise Revenues	-	-	-	-	-	-	-	52.238	186.806	-	-	-
Grants / Intergovernmental	3.985	5.821	39.274	-	-	-	-	-	-	-	-	-
User Fees, Fines & Other	-	-	-	-	1.500	-	-	-	-	0.479	7.398	54.176
Transfers In	-	-	-	-	11.719	-	-	-	-	-	-	-
Other Resources	-	-	-	-	0.350	-	-	-	-	-	-	-
Total Sources of Funds	\$3.985	\$5.821	\$39.274	\$5.500	\$35.997	\$5.691	\$0.615	\$55.271	\$186.806	\$0.479	\$7.398	\$54.176
Appropriations												
Personal Services	3.286	4.838	8.199	2.085	1.100	-	0.575	22.951	40.510	0.396	-	0.520
Materials & Supplies	0.070	0.055	0.378	1.760	-	-	0.020	11.316	6.301	0.014	7.306	0.076
Rental & Non Capital Leases	0.205	0.233	0.009	0.029	-	-	-	0.394	0.105	0.008	-	0.010
Non Capital Equipment	0.000	0.016	0.117	0.008	-	-	0.015	0.122	0.082	-	0.013	0.010
Capital Assets	0.000	0.004	0.007	0.150	-	-	0.000	2.315	0.835	0.000	0.008	0.000
Contractual & Other Services	0.425	0.675	30.564	1.468	9.146	-	0.005	16.471	44.782	0.480	0.071	53.561
Debt Service	-	0.000	-	-	28.458	5.022	0.000	4.239	79.075	-	-	-
Transfers Out :												
Capital Lease Payments	-	-	-	-	-	-	-	-	-	-	-	-
Other Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
Total Uses of Funds	\$3.985	\$5.821	\$39.274	\$5.500	\$38.704	\$5.022	\$0.615	\$57.808	\$171.690	\$0.898	\$7.398	\$54.176
Ending Fund Balance	\$0.000	\$0.000	\$0.000	\$1.714	\$0.002	\$8.677	\$0.000	\$17.231	\$127.237	(\$0.370)	\$0.253	\$0.435

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

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

Revenue Category	Actual Receipts FY13	Projected Receipts FY14	Projected Receipts FY15	Percent Change
Earnings Tax	150,989,576	153,295,000	156,110,000	1.8%
Sales Taxes	47,920,321	49,090,000	48,750,000	-0.7%
Property Tax	55,521,835	56,476,500	57,346,500	1.5%
Payroll Expense Tax	35,868,469	35,578,000	36,125,000	1.5%
Franchise / Utility Taxes:				
Electricity	30,721,450	32,850,000	33,685,000	2.5%
Natural Gas	7,996,708	8,290,000	8,490,000	2.4%
Telephone	2,567,005	750,000	750,000	0.0%
Water	5,221,428	5,320,000	5,215,000	-2.0%
Airport	6,224,651	6,350,000	6,350,000	0.0%
All Other franchise fees	658,804	1,024,000	924,000	-9.8%
Subtotal	53,390,046	54,584,000	55,414,000	1.5%
Intergovernmental Revenues:				
Gasoline Tax	8,022,821	8,075,000	8,150,000	0.9%
Health Care Payments	5,481,789	5,150,000	7,650,000	48.5%
Prisoner Housing Reimbursement	6,253,940	5,022,500	5,600,000	11.5%
Juvenile Detention Reimbursements	2,084,217	2,084,000	2,084,000	0.0%
Motor Vehicle Sales Tax	2,734,713	2,900,000	2,970,000	2.4%
Intangible Tax	142,512	510,000	300,000	-41.2%
Subtotal	24,719,992	23,741,500	26,754,000	12.7%
Licenses:				
Graduated Business License	6,867,957	7,225,000	7,250,000	0.3%
Cigarette Occupational License	1,777,111	1,785,000	1,785,000	0.0%
Sports and Amusement	1,692,192	2,000,000	2,060,000	3.0%
Automobile	1,404,337	1,398,000	1,408,000	0.7%
Parking Garages and Lots	2,556,428	2,774,000	2,766,200	-0.3%
Other Licenses	687,674	740,525	757,525	2.3%
Subtotal	14,985,699	15,922,525	16,026,725	0.7%
Departmental Revenues:				
Fines and Forfeits	11,549,674	8,891,645	5,583,150	-37.2%
Building and Occupancy Permits	6,933,829	7,634,000	8,596,970	12.6%
Departmental User Fees & Other	37,882,252	37,782,480	38,801,600	2.7%
Subtotal	56,365,755	54,308,125	52,981,720	-2.4%

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

Revenue Category	Actual Receipts FY13	Projected Receipts FY14	Projected Receipts FY15	Percent Change
Convention and Tourism Taxes:				
Hotel / Motel Gross Receipts ¹	7,550,000	8,450,000	8,700,000	3.0%
Restaurant Gross Receipts - 1 cent	5,045,000	5,400,000	5,925,000	9.7%
Restaurant Gross Receipts - 1/2 cent	2,815,784	2,958,000	3,002,000	1.5%
Subtotal	15,410,784	16,808,000	17,627,000	4.9%
All other revenues and transfers	2,705,171	3,555,000	3,765,000	5.9%
Employee Pension Trust transfer	13,500,000	13,500,000	13,500,000	0.0%
Subtotal	16,205,171	17,055,000	17,265,000	1.2%
TOTAL GENERAL FUND REVENUES	\$471,377,648	\$476,858,650	\$484,399,945	1.6%

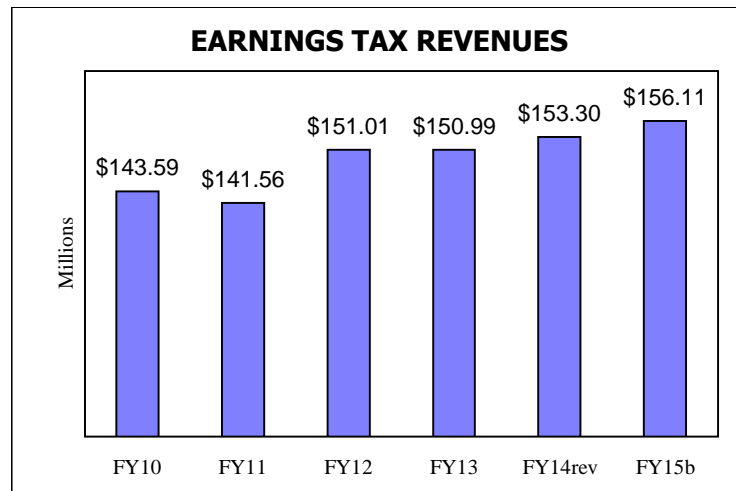
¹ Transfers from convention and sports facility trust fund and convention and tourism fund respectively

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 revenue, comprising approximately 32% 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.

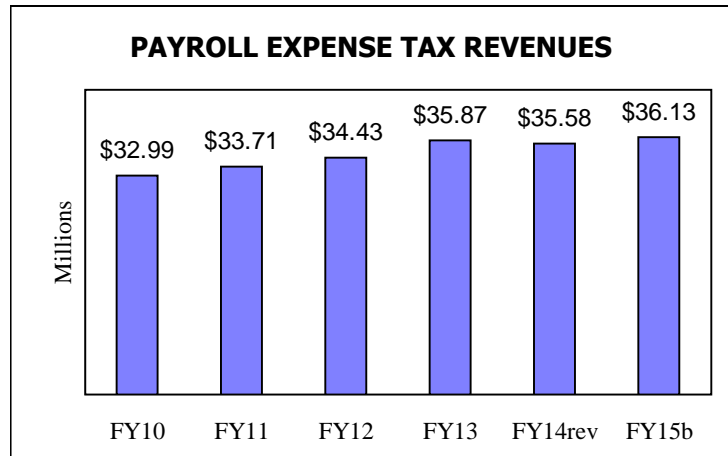
In November, 2010, voters in the state of Missouri approved a proposition requiring that those cities in the state with an existing earnings tax submit the tax to a retention vote every five years. If not successfully passed, the earnings tax would be phased out over a ten year period. City voters approved the first of these retention votes in April, 2011 with an 88% approval rate.

Earnings tax receipts in FY14 have risen 1.5% through the third quarter of the fiscal year. While year to date corporate receipts are up 8.5%, most corporate returns are received in the fourth quarter. Individual withholdings are up a more modest 1.8% and total receipts from individuals and partnerships up 0.9%. The estimate for FY15 assumes growth of 1.8% which reflects the recent growth pattern over the last several years.

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.



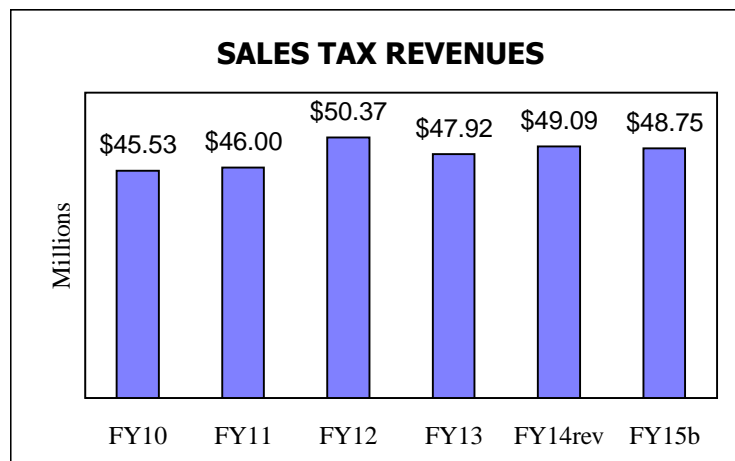
Discussion

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 can grow at a different rate, due to a somewhat different base and exemptions noted above. In FY14, payroll tax receipts have shown a decline of 0.9% through the third quarter of the fiscal year. This year over year performance however may be impacted by above average growth in receipts in FY13 which may have included one-time amounts and thus skewing the comparison. The FY15 estimate assumes growth of 1.5% or slightly less than that of the Earnings tax.

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 above chart represents the trend of that portion of sales tax receipts allocated to the City's general fund. Of the City's major sources of revenue, the sales tax remains vulnerable to economic downturns, however with the City serving as the hub of the region's cultural and entertainment activity, special events such as post-season baseball and the like can have a positive impact on receipts, serving both as a boost during growth periods and a buffer of sorts during downturns. In FY14 year to date receipts were up 3%. The FY15 estimate assumes a decrease of approximately 0.7% in a return to more modest growth after adjusting for special events in the prior fiscal year.

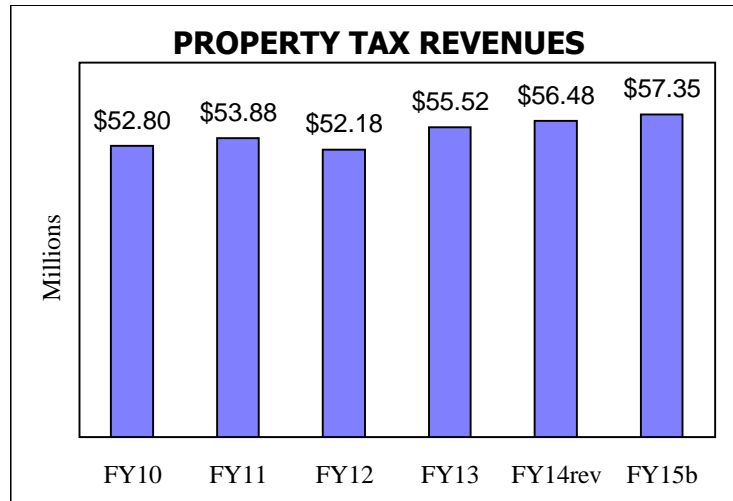
The total sales tax rate in the City (excluding special taxing districts) can be illustrated as follows:

<u>Sales Tax Rate in City</u>		
City - General & Capital Funds	1.875%	
City - Metro	1.000%	
City - Metro Parks	0.100%	
City - Local Parks - 1/10	0.125%	
City - Metro Parks - 3/16	0.188%	
City - Public Safety	0.500%	
		3.788%
State Rates	4.225%	
Bd. Of Education	0.666%	
		4.891%
Total Sales Tax Rate:		8.679%

REAL AND PERSONAL PROPERTY TAXES

Definition

A tax levied on the assessed value of all real and personal property. The current tax rate is \$7.5874 per \$100 assessed value.



Discussion

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

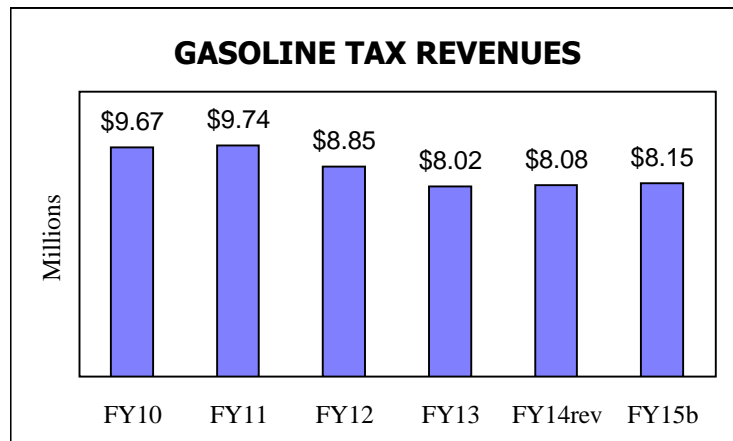
State	\$0.0300
Schools	4.3711
Community College	0.2200
Library	0.5600
Zoo, Museum, Garden District	0.2797
Sewer District	0.0874
Sheltered Workshop	0.1500
Community Mental Health	0.0900
Community Children's Services Fund	0.1900
City - General Purposes	1.4672
City - Public Debt	0.1420
TOTAL	\$7.5874

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. FY14 receipts are projected to finish the year up by 1.7% with personal property up 3.7% and real property up a more modest 1.3%. Estimates for FY15 assume growth of 1.5% for the fiscal year.

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 for its status as both 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.

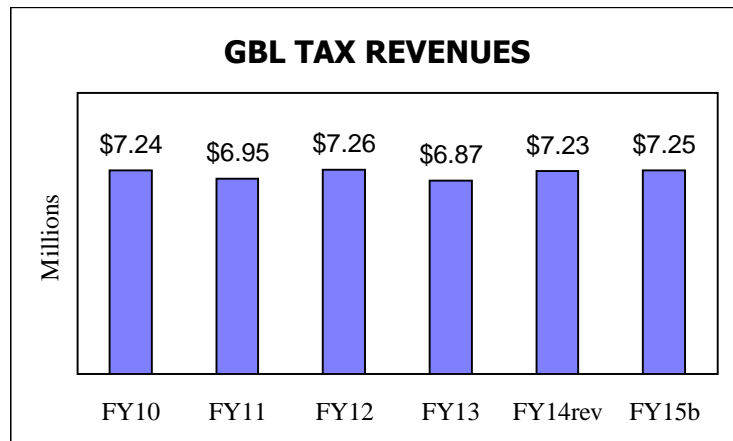
Amounts depicted in the chart above represent the City's allocation based on its status as a city and are deposited to the general fund to offset the cost of maintaining streets and highways. An additional \$0.6 million is received based on the City's status as a county and is deposited to the capital fund to offset the cost of road and bridge projects.

FY13 revenues show the first full year impact of the allocation of gas tax revenues following the 2010 census. The decline in City population has reduced the City's share of distributions of gas tax revenues from the state. The FY14 projection and estimate for FY15 assume gasoline tax receipts stabilizing at this new lower level of receipts.

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 \$200 for employers with two or fewer employees to \$37,500 for employers with more than five hundred employees. (Graph illustrates general fund only)



Discussion

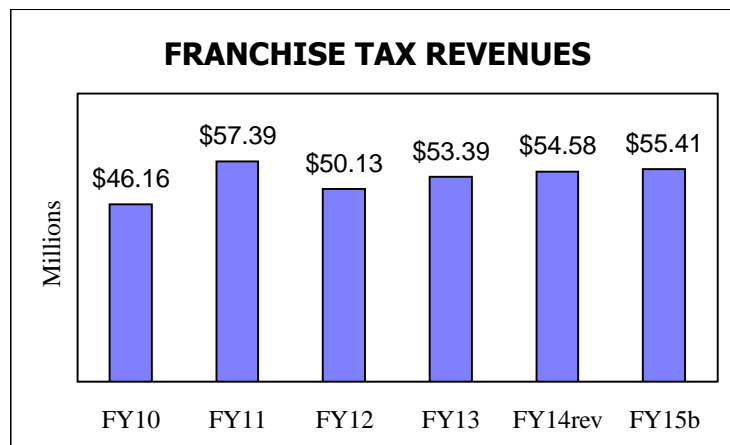
Given the fixed rate structure of the Graduated Business License, any growth from this source of revenue would be due strictly to an increasing number of businesses and employment, which have remained somewhat flat in recent years. While most receipts from the GBL are received in the 4th quarter of the fiscal year, year to date receipts suggest a continued trend of little or no growth. The estimate for FY15 remains at FY12 levels. The license fee schedule, including the increase approved by voters in 2006 and allocated to the Public Safety Trust Fund is as follows:

Number of Employees	GBL Tax
501 or more	\$37,500
401-500	\$34,500
301-400	\$30,000
201-300	\$25,500
151-200	\$20,250
101-150	\$15,000
76-100	\$11,250
51-75	\$7,500
41-50	\$4,500
31-40	\$3,000
21-30	\$2,250
11-20	\$1,500
6-10	\$675
3-5	\$325
2 or fewer	\$200

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 steam and water are taxed at 10% of their gross receipts from all customers. The taxes are passed on to the ultimate consumers. Utility tax receipts have fluctuated significantly in the past few fiscal years due mainly to the implementation of a settlement agreement with telecommunication companies. The City reduced its tax on telecommunications from 10% to 7.5% effective November 1, 2007. In return the companies agreed to apply the new lower rate to wireless communications receipts previously protested under the old rate. Results from FY10 were skewed by the release of protest amounts in FY09. FY11 receipts reflect a release of final escrowed amounts. Both electric utility receipts (nearly half of total) and natural gas receipts have risen and declined respectively with electric and natural gas rates and remain susceptible to variations in weather. In FY14 electric receipts were up 8.9% through the third quarter while natural gas receipts were nearly flat at 0.3%. These latter receipt do not yet reflect billings from the full winter season and are expected to rise by the end of the fiscal year. Meanwhile telecommunications receipts have fallen over 18% thru the third quarter of FY14 and have been a drag on growth in this category. Overall franchise tax receipts are projected to grow 1.5% in FY15.

CITY OF ST. LOUIS
SPECIAL AND OTHER FUNDS REVENUE ESTIMATE

Revenue Category	Actual Receipts FY13	Projected Receipts FY14	Projected Receipts FY15	Percent Change
SPECIAL AND OTHER FUND REVENUES:				
Local Use Tax Fund				
Local Use Tax	28,668,300	30,000,000	30,000,000	0.0%
Interest & Misc.	67,849	50,150	50,150	0.0%
	<u>28,736,149</u>	<u>30,050,150</u>	<u>30,050,150</u>	<u>0.0%</u>
Convention and Tourism Fund				
Restaurant Gross Receipts Tax (1%)	5,505,369	5,800,000	5,858,000	1.0%
License Commission	-235,068	-248,000	-250,000	0.8%
	<u>5,270,301</u>	<u>5,552,000</u>	<u>5,608,000</u>	<u>1.0%</u>
Convention and Sports Facility Fund				
Hotel and Motel Sales Tax (3.5%)	7,788,137	8,000,000	8,080,000	1.0%
License Commission	-246,055	-253,000	-255,000	0.8%
	<u>7,542,082</u>	<u>7,747,000</u>	<u>7,825,000</u>	<u>1.0%</u>
Assessment Fund				
Real Estate Tax	2,078,043	2,053,055	2,084,000	1.5%
State Reimbursements	416,772	417,000	420,000	0.7%
Other	152,326	69,600	101,200	45.4%
General Fund Subsidy	1,540,000	1,750,000	1,450,000	-17.1%
	<u>4,187,141</u>	<u>4,289,655</u>	<u>4,055,200</u>	<u>-5.5%</u>
Miscellaneous Special Funds (1116)				
City Employee Pension Trust Fund	13,500,000	13,500,000	13,500,000	0.0%
Gateway Transportation Fund	1,512,699	1,409,000	1,409,000	0.0%
Forest Park Funds	1,699,279	2,341,500	2,309,500	-1.4%
Downtown Vending Parks Fund	12,217	10,000	10,000	0.0%
Circuit Attorney - Misc. Special Funds	207,616	243,200	206,200	-15.2%
Circuit Attorney - Child Support Unit	1,559,123	1,600,000	1,600,000	0.0%
Street Excavation Fund	143,196	160,000	160,000	0.0%
Metro Trash Service Fund	100,000	100,000	100,000	0.0%
Port Authority (incl. gaming lease)	1,215,698	1,229,203	1,229,203	0.0%
Building Commissioner - Lead Remediation	1,918,279	1,742,150	1,825,150	4.8%
Building Commissioner - Bldg. Demolition	1,241,399	1,382,000	1,465,000	6.0%
Police Officer Training Fund	90,982	84,500	84,500	0.0%
Health Division - Other Special Revenue	53,008	41,000	41,000	0.0%
Equitable Relief from Utility Tax	179,775	100,000	100,000	0.0%
Battered Persons / Domestic Viol. Funds	88,949	84,000	84,000	0.0%

CITY OF ST. LOUIS
SPECIAL AND OTHER FUNDS REVENUE ESTIMATE

Revenue Category	Actual Receipts FY13	Projected Receipts FY14	Projected Receipts FY15	Percent Change
Other Special Revenue Funds	970,485	2,523,200	2,180,000	-13.6%
	24,492,705	26,549,753	26,303,553	-0.9%
Communications Fund				
Cable Television Gross Receipts Tax	2,743,725	2,925,000	2,950,000	0.9%
	2,743,725	2,925,000	2,950,000	0.9%
Lateral Sewer Fund				
Tax receipts and interest	2,540,633	2,550,000	2,550,000	0.0%
Interest	245	500	500	0.0%
Surplus Commissions	39,503	39,500	39,500	0.0%
	2,580,381	2,590,000	2,590,000	0.0%
Public Safety Trust Fund				
Graduated Business License Tax	2,949,010	2,956,000	3,063,000	3.6%
	2,949,010	2,956,000	3,063,000	3.6%
Riverfront Gaming Revenues (excl. port lease)				
Adjusted Gross Receipts Tax (2.1%)	3,397,919	3,000,000	3,000,000	0.0%
Admissions Tax (\$1)	5,099,015	4,400,000	4,400,000	0.0%
Interest / Misc.	1,000,000	0	0	
	9,496,934	7,400,000	7,400,000	0.0%
Local Parks Funds				
1/8 Cent Sales Tax	4,322,542	4,437,000	4,406,000	-0.7%
Neighborhood Parks Fund (Gen Fund Trnsfr)	1,600,000	1,600,000	1,600,000	0.0%
BJC / City Trust Fund	2,000,216	2,000,500	2,000,250	0.0%
	7,922,758	8,037,500	8,006,250	-0.4%
Public Safety Sales Tax Fund				
1/2 Cent Public Safety Sales Tax	17,304,979	17,670,000	17,550,000	-0.7%
	17,304,979	17,670,000	17,550,000	-0.7%

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

Revenue Category	Actual Receipts FY13	Projected Receipts FY14	Projected Receipts FY15	Percent Change
Government Grant Fund Revenues				
St. Louis Agency on Training & Employment	8,136,593	3,890,000	3,985,000	2.4%
Police Department Grants	8,856,093	6,174,000	8,389,000	35.9%
Community Dev. - (excl. separate. approp)	6,478,475	6,967,000	5,821,000	-16.4%
Police Asset Forfeiture	0	0	3,159,114	
Other Government Grants	34,002,000	36,849,000	39,277,000	6.6%
	57,473,161	53,880,000	60,631,114	12.5%
Capital Improvements Funds				
1/2 Cent Sales Tax	17,418,304	17,850,000	17,750,000	-0.6%
Metro Parks Sales Tax - 1/10	1,590,651	1,642,000	1,633,000	-0.5%
Metro Parks Sales Tax - 3/16	0	1,400,000	2,415,000	72.5%
Gasoline Tax	630,000	630,000	630,000	0.0%
Previous Year Surplus / (Deficits)	0	-446,500	2,709,000	
Income From Sale Of City Assets & Other	3,216,300	350,000	500,000	42.9%
Transfers from General and Other Funds	5,995,978	14,398,000	11,401,725	-20.8%
Courthouse Restoration Funds	1,459,874	1,500,000	1,500,000	0.0%
CVC Reimbursements	217,000	217,000	167,000	-23.0%
	30,528,107	37,540,500	38,705,725	3.1%
Debt Service Fund				
Property Taxes	6,257,108	5,736,000	5,106,310	-11.0%
Fund Balance	0	3,000,000	0	-100.0%
	6,257,108	8,736,000	5,106,310	-41.5%
Tax Increment Financing	8,896,492	530,000	586,000	10.6%
Trustee Lease Fund - Interest & DSR Earnings	8,397,070	6,213,000	5,022,000	-19.2%
Mail Services Internal Service Fund	642,378	479,000	479,000	0.0%
Equipment Services Fuel Internal Services Fund	4,652,121	4,845,000	7,400,000	52.7%
Employee Benefits Funds	40,942,324	44,668,000	54,177,000	21.3%
	40,942,324	44,668,000	54,177,000	21.3%
Subtotal Special and Other Fund Revenues	271,014,926	272,658,558	287,508,302	5.4%

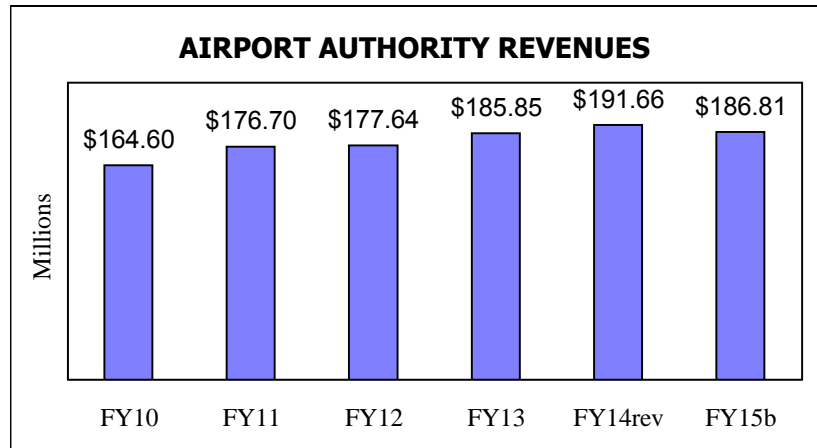
**CITY OF ST. LOUIS
SPECIAL AND OTHER FUNDS REVENUE ESTIMATE**

Revenue Category	Actual Receipts FY13	Projected Receipts FY14	Projected Receipts FY15	Percent Change
ENTERPRISE FUND REVENUES:				
Water Division				
Net Sales of Water	52,122,686	51,370,000	50,560,000	-1.6%
All Other Income	3,323,857	3,119,000	2,689,000	-13.8%
	55,446,543	54,489,000	53,249,000	-2.3%
Lambert St. Louis Airport				
Landing Fees	67,596,192	71,400,000	69,800,000	-2.2%
Rents	29,715,236	28,000,000	28,500,000	1.8%
Utilities and Charges	802,531	850,000	900,000	5.9%
Concessions	23,340,687	25,500,000	26,000,000	2.0%
Rate Mitigation Proceeds	13,728,000	13,728,000	13,728,000	0.0%
Interest	2,169,902	1,700,000	1,800,000	5.9%
Parking and Miscellaneous	23,553,542	22,900,000	18,500,000	-19.2%
Pledged PFC Revenues	24,946,735	27,578,000	27,578,000	0.0%
	185,852,825	191,656,000	186,806,000	-2.5%
Subtotal Enterprise Funds	241,299,368	246,145,000	240,055,000	-2.5%
Total Special and Enterprise Revenues	\$512,314,294	\$518,803,558	\$527,563,302	1.7%
Revenues Appropriated Separately:				
Street Improvement Fund				
Motor Vehicle Sales Tax	679,264	700,000	750,000	7.1%
Franchise (Utility) Taxes	4,394,001	4,300,000	4,750,000	10.5%
Interest	0	0	0	
	5,073,265	5,000,000	5,500,000	10.0%
Community Dev. Block Grants / Housing Grants (excluding appropriations listed above)	25,249,888 25,249,888	15,957,765 15,957,765	15,445,000 15,445,000	-3.2%
Transportation Fund	35,652,328	30,097,500	30,227,582	0.4%
Parking Division Fund	17,498,762	14,447,715	14,738,900	2.0%
Total All Special and Other Fund Revenues	\$600,861,802	\$589,306,538	\$598,974,784	1.6%

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.



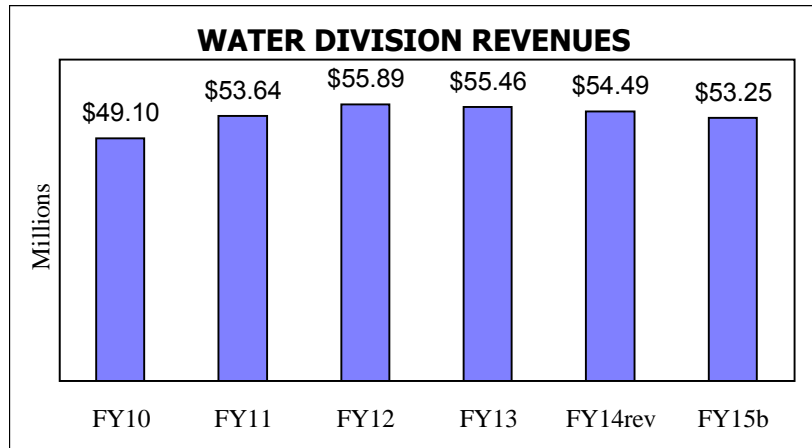
Discussion

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: Air Canada, Air Choice One, Air Tran, Alaska Airlines, American, Cape Air, Continental, Delta, Frontier, USAir, USA3000, Southwest, 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, gift shops, 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. Landing fee revenue from signatory airlines is projected to decrease by 2.2% with revenue from rents and concessions rising 1.8%. Operating revenues are supplemented by pledged passenger facility charge revenues (ticket surcharges for Airport upkeep) of \$27.6M. After a one-time special revenue of \$4.5M in the current fiscal year, overall Airport revenues are projected to decline 2.5% in FY15.

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

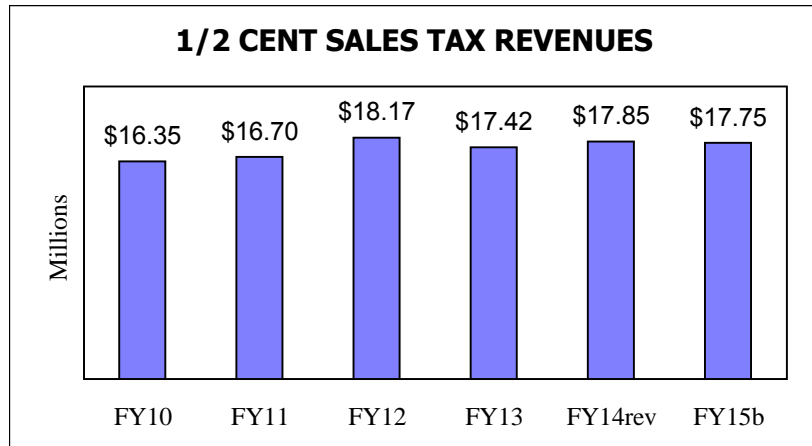
Revenues from net sales of Water include sales to flat-rate and metered customers and sales to other governmental jurisdictions. While the number of metered and unmetered customers has decreased reflecting the city's population decline, increases in the sales to other governmental jurisdictions has offset 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.

Water rates increased in FY11 as part of a phased set of increases to meet rising costs. Declines in the overall volume of water sales have reduced the impact of these increases resulting in a more modest rise in net revenues. FY14 revenues through the fiscal third quarter were down 2.4% and are projected to decline 2.3% in FY15.

1/2 CENT CAPITAL SALES TAX

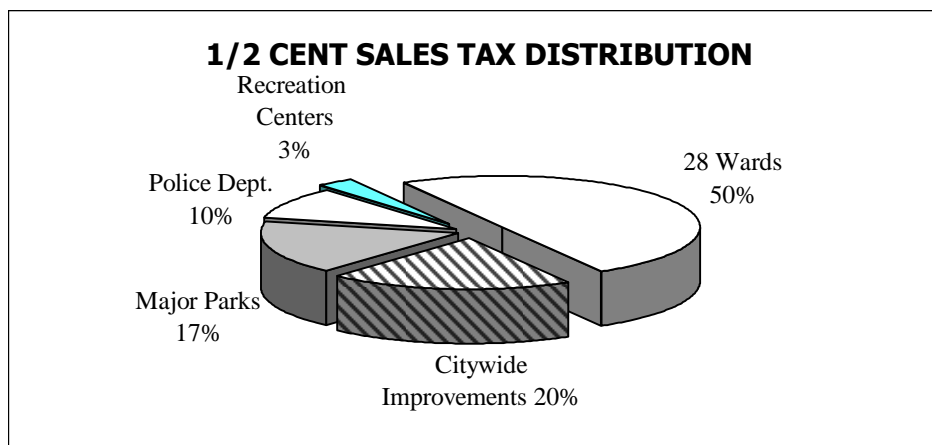
Definition

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

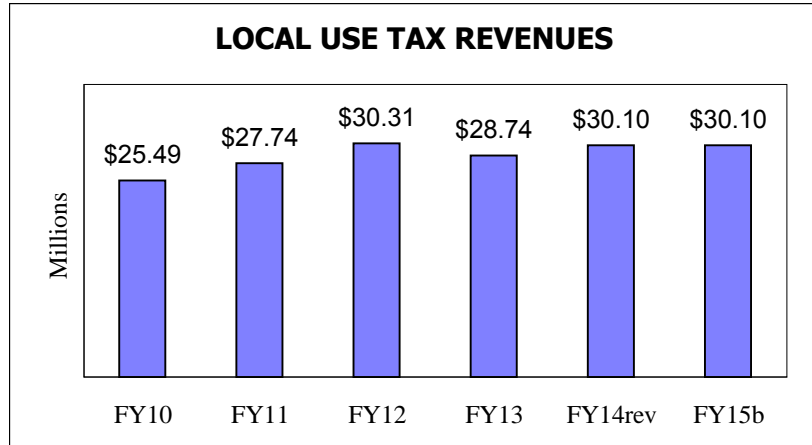
City voters approved the 1/2 cent sales tax for capital improvements in August, 1993. The City ordinance authorizing the 1/2 cent sales tax included a formula for allocating the proceeds among various capital spending areas. This allocation is illustrated in the pie chart below. Of the City's major sources of revenue, the sales tax has remained the most vulnerable to economic downturns. FY14 receipts were up 3% year to date. The FY15 estimate assumes a decrease of approximately 0.7% in a return to more modest growth after adjusting for special events in the prior fiscal year.



LOCAL USE TAX

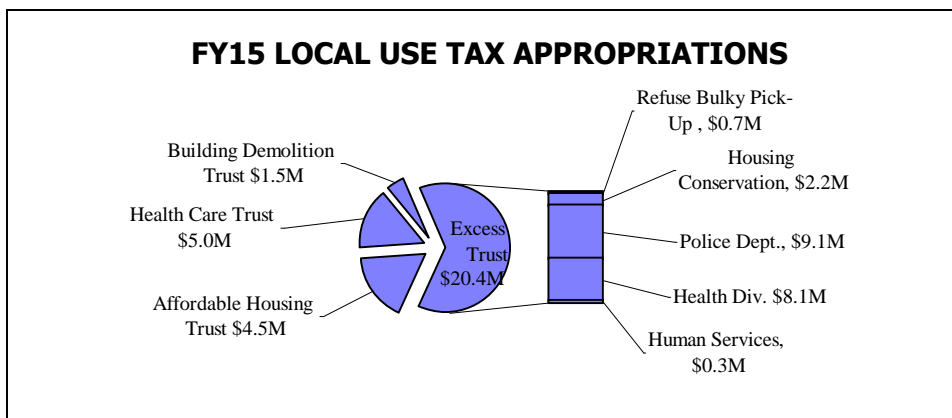
Definition

The Local Use Tax is a tax applied, in lieu of the local sales tax, on transactions that individuals and businesses conduct with out-of-state vendors, including catalog and direct market sales. The use tax rate is equal to the total local sales tax rate imposed by the City. With the passage of a new 1/4 cent sales tax for Metro the use tax rate will increase 3.35% to 3.6%.



Discussion

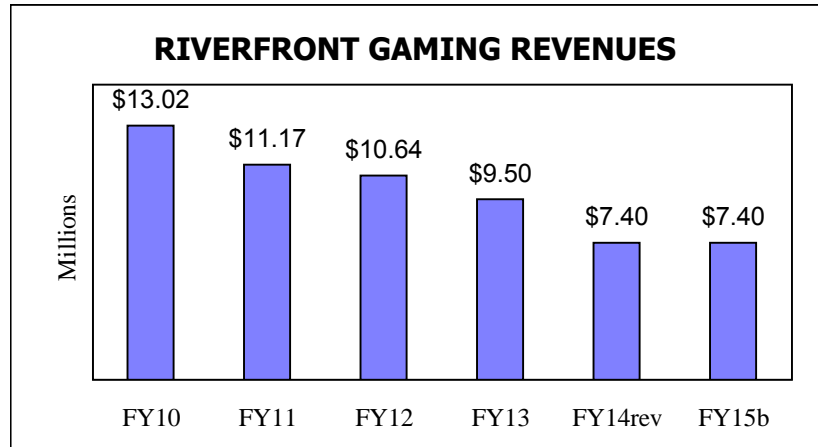
City voters approved the current Local Use Tax in November, 2002. The local use tax rate has increased since with increases in the City's sales tax rate, by 1/8 cent in 2007, a 1/2 cent increase in 2008, a 1/4 cent increase effective July 2010 and a new 3/16 cent increase that became effective October, 2013. The total local use tax rate is now 3.7875%. Paid mostly by businesses, local use tax receipts fell sharply in FY10 and have recovered somewhat assisted by the rate increase in FY11. FY14 receipts have seen an increase year to date reflecting the increase in rate. Use tax receipts are projected to remain at or near this higher level of receipts in FY15. Given continuing budget challenges, a reallocation of a portion of the proceeds for Affordable Housing (\$0.5M) as well as Building Demolition (\$1.5M) are being retained in the excess use tax fund to help offset the budget gaps.



RIVERFRONT GAMING

Definition

Riverfront Gaming revenues come primarily from two sources: 1) the local share of the state gaming tax and 2) the local share of the state admissions tax.



Discussion

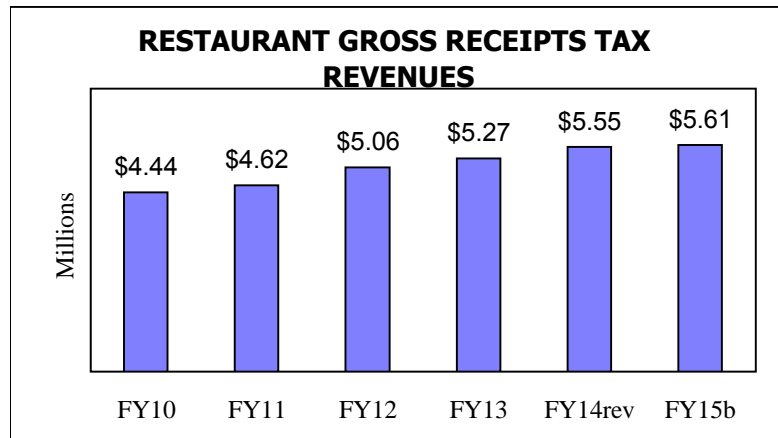
In December 2007, Lumiere Place, a new gaming facility operated by Pinnacle Casinos opened on Laclede's Landing. The new facility though not subject to Port lease payments due to its location led to a more than doubling of gaming revenues in FY09 over the two years prior. In 2008, Missouri voters approved removing loss limits as well as a 1% increase in the state tax rate on adjusted gross receipts (AGR). Now at 21% of AGR, the City receives 10% of this amount, or 2.1% of AGR. In addition, the City continues to receive \$1 of the state imposed \$2 head tax on the number of admissions. The closing of the old President casino on Laclede's Landing in July of 2010 resulted in the loss of approximately \$2.0M in port lease and gaming revenues. The recent opening of the new Pinnacle casino in south St. Louis county has also drawn some business from the existing Lumiere operation in the City. As part of the development agreement of this second casino, Pinnacle has made annual payments to the City of \$1M. Beginning in FY14, these revenues are being allocated directly to subsidize joint economic development efforts of St. Louis City and County. Coupled with a decline in gaming receipts of close to 12%, FY14 revenues were down nearly 25% through the third quarter. FY15 revenues are projected to remain flat at this new lower level of receipts.

RESTAURANT GROSS RECEIPTS TAX

Definition

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

Discussion



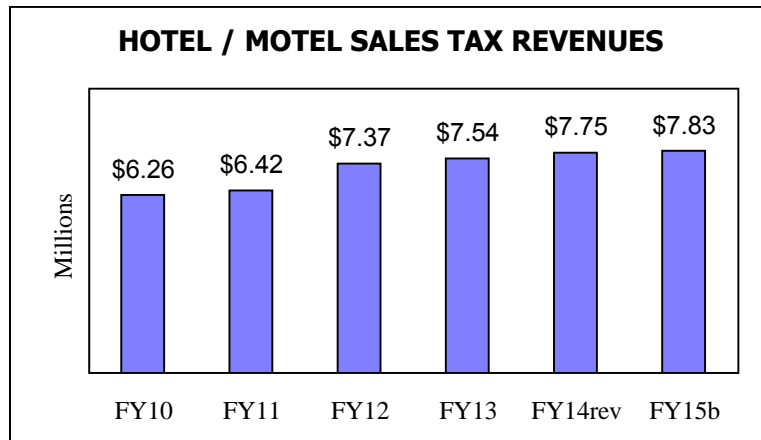
The 1% restaurant gross receipts tax serves as the source of revenue to the City's Convention and Tourism Fund. The fund was established to foster and promote the City's convention and tourism industry. Revenues from this source together with hotel tax receipts from the Convention and Sports Facility Fund are used to offset debt service payments on the Convention Center as well as minor subsidies to convention and tourism related organizations. Restaurant gross receipt revenue had risen a healthy 12% through the third quarter of FY14 and are expected to finish the year up over 5%. Similar to the sales tax, these receipts can be impacted by non-recurring events, and projections for FY15 are for a more modest increase of 1%.

HOTEL / MOTEL SALES TAX

Definition

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

Discussion



Hotel Tax receipts have exhibited consistent growth with the addition of hotel developments in the downtown and central corridor areas. 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. Hotel tax receipts had climbed 5.8% through the end of the third quarter of FY14 and are expected to finish the year up 2.7%. After a boost from non- recurring events, receipts are projected to rise 1.0% in FY15.



FINANCIAL AND BUDGETARY POLICIES

CITY VISION AND PROGRAM VISIONS

CITY OF ST. LOUIS, MISSOURI

FINANCIAL AND BUDGETARY POLICIES

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

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

BUDGET PREPARATION AND ADMINISTRATION

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

FINANCIAL AND BUDGETARY POLICIES

GENERAL FUND BUDGET

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

FINANCIAL AND BUDGETARY POLICIES

CAPITAL IMPROVEMENTS

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

CITY DEBT

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

CITY VISION AND PROGRAM MISSIONS

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

SAFE NEIGHBORHOODS

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

ATTRACTIVE PARKS AND RECREATION

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

CITY VISION AND PROGRAM MISSIONS

AFFORDABLE HOUSING AND DESIRABLE NEIGHBORHOODS

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

EFFICIENT TRANSPORTATION AND UTILITIES

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

CITY VISION AND PROGRAM MISSIONS

CITIZENRY OF GOOD HEALTH AND WELL BEING

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

VIBRANT AND DIVERSE ECONOMY

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

CITY VISION AND PROGRAM MISSIONS

EFFICIENT AND EFFECTIVE GOVERNMENT

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

CITY VISION AND PROGRAM MISSIONS

MATRIX OF PRIMARY CITY GOALS BY DEPARTMENT

The table below provides an illustration of departmental responsibility for the implementation and reaching of FY2014 Goals. Please refer to the following corresponding Departmental Sections of this document for specific programmatic goals and activities being undertaken in support of these goals.

DEPARTMENT	Safe Neighborhoods	Attractive Parks & Recreation	Affordable Housing / Desirable Neighborhoods	Efficient Transportation & Utilities	Citizenry of Good Health & Well Being	Vibrant and Diverse Economy	Efficient & Effective Government
General Government			X			X	X
Finance							X
Parks, Recreation & Forestry		X					
Judicial Offices	X						X
County Offices							X
Public Utilities				X			
Streets			X	X			
Public Safety	X		X				
Health & Hospitals					X		
Human Services			X		X		
Board of Public Service				X			X