EXECUTIVE SUMMARY

FY2016 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 FY2016 Annual Operating Plan each year is a continuing effort to allocate the City's resources in such a way as to maintain the quality of life of its residents, visitors and businesses alike. Of course, in any given fiscal year, the inevitable limitations on these resources underscore the necessity of fostering efficiency and efficacy in City services so that funding is available for the multitude of services provided and that City government is assured of the resources necessary to achieve its mission. In the current fiscal year, revenues through the third quarter were up modestly and were on a pace to slightly exceed estimates. Employment-based tax receipts such as earnings and payroll taxes have been showing healthy growth through the third quarter of the fiscal year, which for the first time in years is exceeding the rate of inflation. Meanwhile, sales tax receipts have likewise posted positive returns and are on a pace to exceed current year estimates. This underlying growth in tax revenue however has been offset somewhat by declines in utility taxes and departmental revenues. In the previous fiscal year, growth in general revenue was up by a mere 1.1% and is expected to rise 2.3% in the current fiscal year. Historical trends suggest long term growth of between 1% and 2% each year. The ability to meet the rising costs of City services and growing infrastructure needs with this limited revenue growth remains a perennial challenge. The City has pursued efforts in recent years to reduce operating expenditures and staffing where possible without impacting key City services. Along these lines there has been the successful initiative to reform the City's firefighters' pension system and in the past year, the incorporation of many of the administrative and support functions of the Police Department into related departments of City government. Meanwhile, the list of capital improvement needs continues to grow, and while the City has seen recent success with sales tax initiatives related to Parks improvements, funding for much needed improvements to City streets and bridges, municipal buildings and other infrastructure and equipment remains elusive. The FY2016 budget will take steps to

FY2016 Budget:

	FY15	FY16p
General Fund	**$484.4M**	**$492.6M**
Special Revenue & Other Funds	**292.0M**	**298.5M**
Enterprise Funds	**229.5M**	**225.5M**
Total	**$1,005.9M**	**$1,016.6M**

address these needs by resuming full allocation of all ½ cent sales tax revenues in the Capital Fund and will provide for the opportunity to seek voter approval of 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 FY2016 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 forward, most economic projections point to a continuation of the current growth cycle through the 2015 and 2016 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. The City's proposed Annual Operating Plan will address funding for some of the more recent initiatives in community policing, provide for increases in costs related to City employee compensation, allocate increased, albeit limited, funding for Citywide capital improvements and meet all of its outstanding contractual debt obligations.

The FY2016 Annual Operating Plan allocates a total of $1,016.6M in all funds combined. This amounts to an increase of 1.1% from the previous fiscal year. The City's general fund, with a proposed budget of $492.6M, remains the largest component of the budget providing the bulk of City services. This is an overall net increase for the General Fund of 1.7%. The proposed City workforce in the FY2016 budget is nearly flat, containing a net decrease of 12 positions. Most of these decreases are found in grant and enterprise funded positions while the General Fund will see a net increase of 8 positions.

REDUCING EXPENDITURES AND FINDING NEW WAYS TO DELIVER CITY SERVICES

Safe Neighborhoods

The total FY2016 budget for the Police Department excluding grants but including pension costs is $182.9M. This total includes approximately $4.4M for increases in pay for uniform and civilian employees of the department, including fitness incentives. The amount budgeted for overtime expenditures will also increase by $1.3M as recent initiatives such as "hot spot policing" to target high crime areas and other efforts to heighten police presence has led to an increase in these expenditures. In recent fiscal years, the Department could utilize any funds remaining within its budget at the end of the fiscal year to purchase needed equipment, particularly police vehicles. With the events and civil disturbances of the current fiscal year depleting these resources, a total of $1.9M has been budgeted to help address these equipment needs. As part of an effort to ensure the continued confidence and working relationships

between the Police Department and the community it serves, the City recently enacted an ordinance establishing a Civilian Review Board. The FY2016 budget includes $300,000 in the office of the Director of Public Safety for funding the work of this Board. With the onset of local control of the Police Department, there were a number of functions within the Police Department that were 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 were assumed by the Police Department, namely the City Marshal and the Park Rangers unit of the Parks Division. The FY2016 budget continues to allocate these funds to each of these separate units with the hope 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 new Police headquarters building on Olive Street was opened in the first quarter of the current fiscal year and the Department is gradually making improvements as funding allows. The City's Emergency Management Agency has been relocated there from its former home in the basement of Soldiers' Memorial. The technical improvements include equipment for a Real Time Crime Center (RTCC) and related camera monitoring projects. The Department's overall uniformed strength will remain relatively unchanged in FY2016 at a total of 1,287 officers. This total includes trainee positions that were previously classified as civilians. Efforts to increase the number of officers and identify additional sources of funds for doing so are ongoing. Meanwhile, recruiting and promotional efforts will be enhanced with $345,000 budgeted in the Police Unit of the Department of Personnel.

Overall uniform strength of the Fire department will remain at 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. The budget provides for pay increases and fitness incentives similar to the Police Department totaling $1.5M and with recent staffing dropping below authorized levels, assumes a resumption of recruit classes to minimize vacancies and keep overtime expenditures under control. 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 decline significantly to an average of just over 1,240 inmates per day at both the MSI and the City Justice Center combined. It is assumed that census levels are to begin to rise again and are budgeted at just about 1,600 for the year based on the average over the last several years. While staffing levels at the two facilities will remain the same, Corrections will see a decline in budgeted costs of approximately

$0.4M in contractual services primarily related to the provision of inmate meal services due to the lower census.

Attractive Parks and Recreation

The City Parks Department began implementation of a major capital improvements program following the issuance of a $26M bond issue in early 2015. 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 CityArchRiver project to improve the Arch grounds. That project is currently underway. Elsewhere in the Parks Department, the Director of Parks office will be assuming the coordination of the City's recycling program efforts from the Refuse Division. As a result, one full-time and one part-time position have been moved into the Park Director's budget. 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 maintain 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 recent years, the FY2016 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 the overall budget in the Local Use Tax Fund. However, the Affordable Housing budget will total $5.1M supplemented with an additional appropriation of $600,000 in existing fund balances. 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

Several major transportation projects are in various stages of design and construction. These projects are funded through a combination of the Federal Highway Administration's Moving Ahead for Progress in the 21st Century Act (MAP-21), City Capital, and private sources. In 2014, the City completed design of the Kingshighway Bridge over the Union Pacific Railroad. This project involves reconstructing the significantly deteriorating bridge with a wider bridge deck to safely accommodate six lanes of traffic, bicycles, and pedestrian facilities that meet American with Disabilities Act (ADA) guidelines and complies with the City's Complete Street Policy. Other project features include realigning Shaw to a standard intersection,

landscaping, and decorative lighting. The project has been bid and will start construction in late spring, 2015. The City completed the Fourth and Broadway Overlay and Pedestrian Improvements from Chouteau to Convention Plaza in 2014. This project provided road resurfacing and new curb ramps with modern pedestrian countdown heads and push buttons that are fully ADA-compliant on two major arterials located within the Downtown Central Business District. The City is in the early planning and design phase of the removal of the deteriorating Southwest and Columbia bridges and replacement with one combination bridge in the historic "Hill" neighborhood. Union Pacific Railroad is providing the local match funding to increase the vertical clearance of this bridge. Another major transportation improvement project that has started construction involves Skinker, Oakland, and Clayton intersection and roadway modifications. Access into Forest Park will be greatly improved with new signalization and pathways to allow safe crossings of several major intersections into the southwest corner of the park. Additionally, Oakland will be modified to provide a new sidewalk, lane reconfiguration, and bicycle accommodations. Other major streetscape projects that are progressing with design include major improvements to N. Broadway in the "Baden" business district, the second phase of S. Broadway in the Carondelet neighborhood, and Newstead Avenue from St. Louis to Natural Bridge. These projects include decorative street lighting, asphalt overlay, landscaping, and sidewalk improvements to beautify these business and residential areas.

In the current fiscal year the Streets Division had planned to replenish its salt supply with the purchase of 20,000 tons of salt at a total cost of $1.0M. However, high demand and limited salt supplies had caused the cost of salt to more than double, causing the actual purchase to exceed budget by $1.2M. With milder winter weather this past season, and the supply replenished, the allocation for salt purchases has been budgeted at $325,000, a reduction of $675,000 from the prior fiscal year. With the additional purchase, this should provide a total of over 30,000 tons to meet next season's needs. The Traffic Division will see an increase of $300,000 related to meet the rising lighting utility costs. In the past year, both revenues from the Refuse collection fee as well as revenue from the sale of recycled waste saw modest declines. After one-time adjustments in the previous year, revenues are projected to stabilize at current year levels. The Refuse Division budget will see a cut of five vacant positions for a reduction of approximately $150,000.

Citizenry of Good Health and Well Being

The City's Department of Health in the past fiscal year worked with organizations such as Casa de Salud and Deaconess Faith Community Nurse Ministries to provide testing supplies and enhance TB testing capabilities in the City. The Communicable Disease Division also established policies and protocols for handling reports of Ebola and for monitoring high risk travelers. The Family and Community Health

section worked to maintain a 97% immunization compliance rate among schools served by the Division. The Director's office Health Promotion and Education program will continue to promote such programs as the "Let's Move Stl" and "Jump N2 Shape" activities as well as the "Let's Move Golf Academy", Phase II of the Men's Health Project and "Good 4 U!" a program promoting healthy lifestyles. Meanwhile, all food and beverage control staff of the Community Sanitation section completed FDA standardization and half of the Animal Care and Control officers have now achieved certification by the Missouri Animal Control Association with the goal of having all certified in the next fiscal year. The Department of Human Services has begun an initiative to increase the number of Emergency Shelter beds supported by HUD-ESG funds from 361 beds to 536 beds and continue modifications to its Continuum of Care program to remain competitive for grant funding in light of continued regulatory changes. In the past year, DHS received a $750,000 grant from the Missouri Department of Corrections to implement a re–entry program for offenders being released from state prisons and the St. Louis Area Agency on Aging was instrumental in helping roll-out the Navigator activities related to the Federal Affordable Care Act enrollment phase. In FY16, the Director's Office will include a couple of auditor positions previously contained in the Comptroller's office for auditing the many grant-funded activities of the department. The DHS will also be utilizing $20,000 from a special fund to update its special needs registry which identifies those citizens most vulnerable to extreme weather conditions.

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 continued in 2014 downtown as T-REX expanded its footprint within the Lammert Building on Washington Avenue. Now home to over 100 startup companies, T-REX debuted its new grand entrance on the fifth floor, which was rehabbed in 2014 and includes co-working and event space.

In the CORTEX Innovation District, construction on IKEA broke ground at the intersection of Vandeventer and Forest Park Parkway at a projected cost of $110M with a grand opening in September 2015. Other CORTEX District projects under construction in 2014 include the new $50M Shriner's Hospital, set to open in April 2015, and Cortex Commons, a green space along Boyle Avenue to serve as a spine for the CORTEX District. Wexford Science & Technology's rehabbed building, @4240, located in the CORTEX District, includes 180,000 square feet of office and lab space and is home to the first Cambridge Innovation Center location outside of Cambridge, Massachusetts. BJC HealthCare's Campus Renewal Project (a partnership of Barnes-Jewish Hospital, St. Louis Children's Hospital, and Washington University School of Medicine) continued with construction beginning for two 12-story medical towers on

Kingshighway. Construction of a new six-story academic building began at the St. Louis College of Pharmacy; the 213,000 square foot building will include classrooms and research facilities.

Construction on midtown residential projects boomed with the groundbreaking of West Pine Lofts on West Pine at Sarah, The Standard at Vandeventer and Forest Park Parkway, and the Opus tower at Euclid and Lindell. These developments (all new construction) will create 587 residential units. Aventura Phase II opened, adding 102 units to the 101 units built in Phase I. Adjacent to the Aventura is the site for the $13M Hilton Home 2 Suites, a 106-room hotel set to open in 2015. The Cortona at Forest Park opened in the Highlands development on Oakland Avenue, bringing 278 new apartments to the area. Across the street from Cortona is the $13M Tri-Star Mercedes dealership, which includes a 45,000 square foot showroom which took over a property which had been abandoned since 2008.

Downtown, construction of the Arcade building broke ground in September 2014, and Ballpark Village opened, showcasing 100,000 square feet of retail, dining, and event space in its new entertainment venue. The revamped St. Louis Union Station Hotel opened, revealing 50,000 square feet of exhibit space and newly renovated rooms. Just north of downtown, Bissinger's opened its new corporate headquarters in a redevelopment on North Broadway, including 220,000 square feet of office and chocolate manufacturing space at a cost of $15M. Work on and near the Jefferson National Expansion Memorial continued as the $380M CityArchRiver 2015 project picked up speed; a new park over Interstate 70 will join the Arch grounds to the Old Courthouse, and a new promenade will add a 1.5 mile riverfront multi-use path.

Effective and Efficient Government

As discussed earlier, the effort to provide services both effectively and efficiently is a key element of ensuring that funding remains available for meeting the City's many service priorities. The FY2016 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

In FY2015, the City provided for merit pay increases of 2% for most employees. Uniformed fire and police employees received a combination of pay increases consisting of matrix step increases, a fitness incentive that could total up to $1,200 and a $1,000 across-the-board increase which became effective in February. In FY2016, non-uniform City employees will convert to a pay matrix as well. There will be an initial cost of converting existing pay rates into the new merit-based pay matrix and employees will then become eligible for pay increases of 1.5% upon their anniversary date. For FY2016, uniformed fire and

police employees will receive an across-the-board increase of $1,000, a fitness incentive of up to $1,000 and the usual matrix step increases upon anniversary dates of hire. In recent years, the 2% anniversary based pay increases had a budgetary impact of about 1%, where typically, salary savings from attrition would be sufficient to cover the cost. The full impact of the increase would then be budgeted in the subsequent fiscal year. The budget for FY2016 continues to take this approach, incorporating the increases in base pay for all employees received in the previous fiscal year and adding those increases related to uniformed employee pay occurring at the beginning of the fiscal year. The budgetary impact of these pay increases will total approximately $10.9M in all funds consisting of $5.6M for non-uniformed employees and $5.3M for uniformed fire and police employees. For the general fund, the full year impact will be $4.0M and $5.2M, respectively. The cost of health insurance premiums for City employees is expected to rise 9.6% in FY2016. With administrative costs held flat, the overall increase in the budget will amount to 8.4%. This increase amounts to a total of $2.5M in all funds of which approximately $1.4M 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. Pension costs are budgeted to decline by a total of $6.7M in all funds. Approximately $2.5M of this reduction is related to recent reform efforts of the firefighters' pension plans as well as improvements in market conditions, while ERS and PRS contributions will decline by $2.5M and $1.7M, respectively, due primarily to market gains of the respective systems. The FY2016 budget continues an effort begun in the previous year to reduce Worker's Compensation costs. 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 $5.1M 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 five 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, FY2015 was the first full year for a number of departments assuming units of civilian employees that were previously a part of the Police Department. The FY2016 budget continues to see some adjustments to these reallocated duties. The Police unit of the Department of Personnel's budget includes $150,000 for promotional testing for the Police Department as well as

$150,000 to expand recruiting efforts. This will be offset in part by a reduction of $150,000 following testing for the Fire Department that was completed in the prior fiscal year. An additional amount of $25,000 has been allocated for Citywide recruiting efforts. The Police unit of the City Counselor's office will see an increase of $400,000 in contributions to PFPC, the City's judgment fund, as state participation in these costs has declined with the onset of local control. The office will also add an attorney position to assist with the caseload. The City's Information Technology Services Agency (ITSA) will see an increase of $113,000 to expand its City Works initiative. This initiative is a software innovation that allows departments to improve the provision of services by having real time data access. An additional $220,000 has been budgeted to meet increase costs of the City's sewer bills to MSD. The total costs estimated at $1.2M have been moved from the Comptroller's Office to the budget of Facilities Management where other utility costs are budgeted. In the Judicial Offices, the office of the Jury Commissioner is being budgeted under the office of the Court Administrator, while requests for capital repair projects are being addressed through the City's Capital fund, but otherwise there are few budgetary changes. Typically, FY2016 would have been a year where there were no scheduled elections, however, in the coming fiscal year, there is the prospect of two special elections. The first of these being a potential election for a proposed general obligation bond issue and the second a retention vote on the City's Earnings Tax. The FY2016 budget assumes funding of over $300,000 for an election pertaining to the bond issue, expected to take place later this calendar year. Meanwhile, since the state of Missouri is already holding a presidential preference primary in March of 2016, $180,000 in funds for the Earnings Tax election have been budgeted assuming that this election is held on the state election date and thus the costs can be shared with the state. After costs for these special elections, the budget for the Election Board will see a net reduction of approximately $500,000.

In the City's Facilities Management Division, $600,000 has been budgeted for Forest Park utility costs which were previously paid from general revenue but in recent years, due to budget constraints, were paid out of Forest Parks special fund revenue. Aside from these costs, an additional $400,000 has been budgeted to meet utility cost increases of all City facilities. As previously mentioned, the Division will also be assuming payments of the City's sewer bills to MSD which are currently estimated at $1.2M. In the City's Equipment Services Division, the expense of maintaining the City aging fleet vehicles, particularly fire equipment, continues to rise and $700,000 has been budget to meet these costs. One area where costs have declined recently has been the cost of fuel. The City's Equipment Services Division purchases approximately 1.9M gallons of fuel annually to keep City service vehicles running. Whereas in FY2015, budgeted costs for fuel topped $6.9M, the average costs per gallon of gasoline and diesel are projected to be at levels at more than 25% lower than the previous year. As a result, the budget for fuel costs will go down by approximately $1.8M. These 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

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 Fees

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 mis-billing as both Refuse and Water Divisions share the same billing statements. After adjusting for these corrections, receipts were still down about 4% to an annualized total of about $13.8M. Receipts in FY2015 continued to see a slight decline and estimates for FY2106 remain nearly flat at $13.6M.

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 had declined significantly in FY2014 to a total of $7.5M. The Department of Public Safety reports that a lag in contractor billings had led to the decline. Efforts to bring outstanding billings up to date have been ongoing throughout FY2015. The revised revenue estimates for FY2015 assumes a narrowing of the lag time for collections with receipts estimated to total $9.1M including one-time Medicaid payments totaling $425,000. The FY2016 budget assumes baseline revenues totaling $8.7M.

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 $1.1M in the prior fiscal year and are estimated to exceed $900,000 in both FY2015 and FY2016.

SPECIAL REVENUE REALLOCATIONS

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. With some of the recent growth in revenue, particularly in sales taxes, the FY2016 budget has begun the process of scaling back on the reallocation of special funds that helped bridge the budget gap in previous years.

Reallocation of Capital Fund Revenues

In the Capital Fund, the ½ cent sales tax 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 FY2016 annual operating plan proposes to resume full allocation of these capital funds with respect to the Ward and Recreation improvement accounts. As a result the Ward and Recreation capital accounts will see an increase of $2.5M in their allocation over and above the increase in sales tax receipts.

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 the overall budget 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

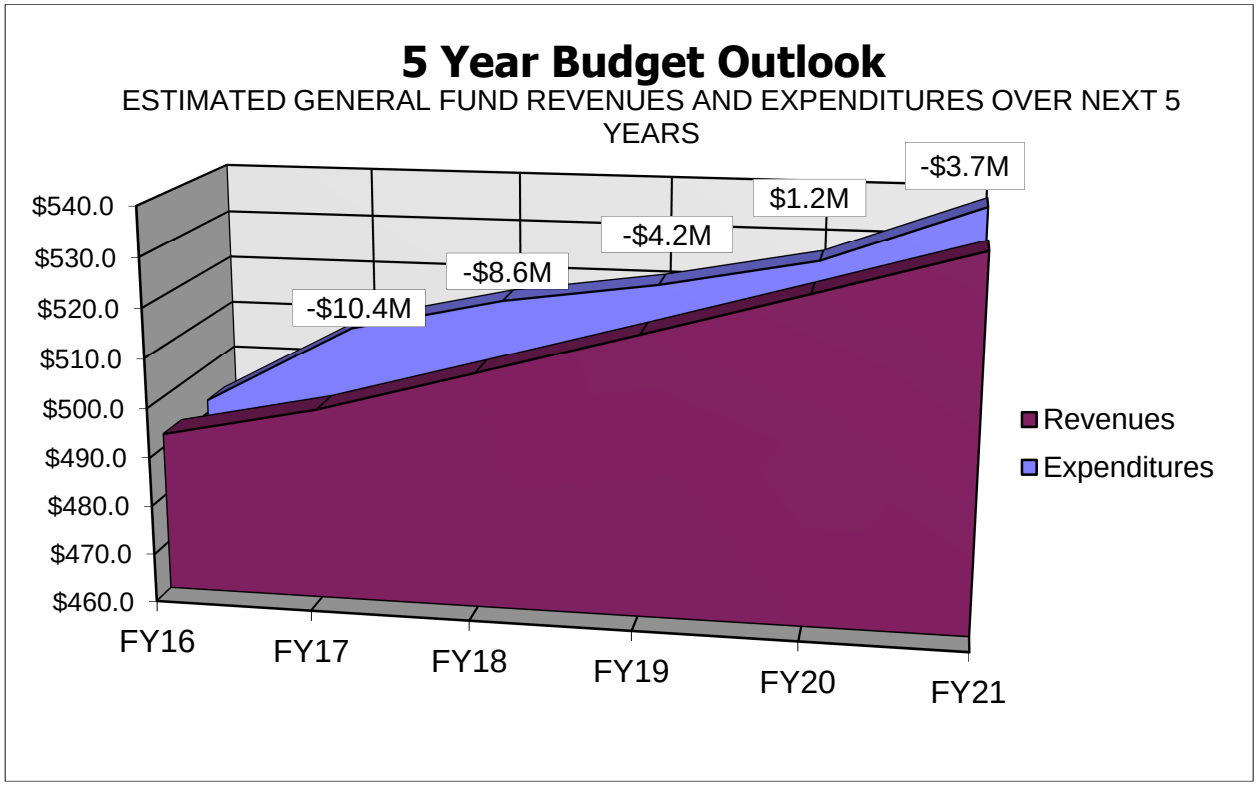
Forest Park capital funds along with the other major City parks will continue to receive full funding allocations in FY2015. The Forest Park Fund which is funded with concessions and other revenues generated in the park had in recent years assumed utility costs in the Park in the amount of $600,000. As part of the Forest Park management agreement, these costs are to be reassumed by the general fund in FY2016. The FY2016 budget does continue to propose that $315,000 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 FY2016 may be temporary in nature, other steps taken in this FY2016 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. While the FY16 budget continues to reflect gradual improvement in these trends, an underlying structural imbalance remains and other challenges related to funding capital improvements persist. 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 in recent years have been increasing by approximately 8% 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 $6.7M in FY16 for the second consecutive year of decline following nine years of extraordinary increases. 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

$79.5M in FY16. 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 2013 is projected to continue to provide budgetary relief in FY2016 and beyond. 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.

Integrating Administrative and Support Functions Following Local Control of Police

Police Department operations reverted to City control in the FY2014. 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, Citywide 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 2015.

Continuing Restoration of Budget Reserves

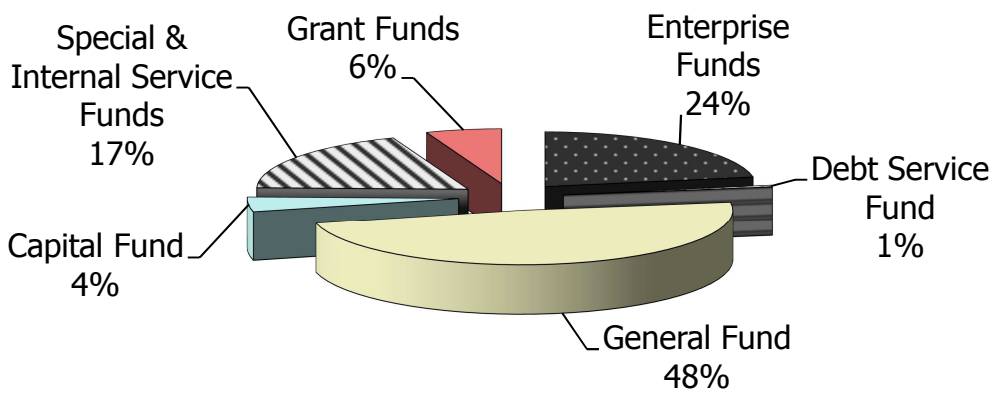
The current funding policy is to maintain an unreserved general fund balance of 5% of the budget. During the fiscal crisis, these reserves were utilized to offset budget deficits that occurred in FY2009 and FY2010. Since that time, the City has experienced modest surpluses and is slowing rebuilding its reserves. At an estimated $12.9 million at the end of FY2015, 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.

Long Range Financial Plan

The City is also in the process of updating its long range financial plan which will highlight many of the initiatives discussed here as well as financial policies and other initiatives designed to position the City to meet its fiscal challenges over the long term. Last updated in 1999, it is anticipated that this new document will be completed later this year.

FUND GROUPS

The total proposed budget for FY2016 is $1,016.6M 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.



Total Appropriation = $1,016.6 Million

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 $492.6M, the FY2016 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 $272.1M. Police services including police pension costs amount to $156.2M. 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 $20.4M, streets, traffic and refuse collection at $35.2M, and general government and finance operations at $32.5M. 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 $55.2M. Debt service payments for large projects funded through lease arrangements are included in the general fund allocation in the amount of $36.1M. Lease debt payments in FY2016 include the annual lease payments on the Scottrade Center debt and the Convention Center / Stadium and City Justice Center 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 $58.8M, a 3.0% decrease from the current fiscal year. With the onset of local control of the Police Department, expenditures from asset forfeitures were included in this special funds category and will total $1.1M in FY2016. 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 FY2016, the Department of Human Services will administer a total of $22.4M 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 $36.3M in grant funds will be allocated for use by these two departments. Aside from the Asset Forfeiture program mentioned above, the Police Department continues to receive grant funding to supplement it regular operating budget. Total grant funding for the Department, excluding asset forfeiture will total $8.2M in FY16. The Fire Department which has benefited from a SAFER grant that provided funding for 20 firefighters is anticipating the expiration of this grant later in the fiscal year.

Public Safety grants overall excluding asset forfeiture funds are estimated to total $10.0M in FY2016, an increase of approximately $900,000 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 $30.7M in revenue in FY2016. Programs funded by the Local Use Tax include public health care services, building demolition, affordable housing development, police services, and neighborhood preservation efforts. In FY2016, the budget will also allocate $7.2M 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 $4.8M 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 $23.5M 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 FY2016.

Capital Improvements Fund

The Capital Improvements Fund budget allocates $43.8M 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 3/16 cent sales tax for Park improvements, a portion of the state gasoline tax, gaming admissions receipts and proceeds from sales of City assets. The total Capital Improvements budget reflects an increase $5.1M from the previous year with the majority of these funds allocated toward payments on a variety of lease debt agreements. The capital budget contains full allocations in ½ cent sales tax funds for ward and recreation improvement accounts. In previous years, $2.5M of these receipts had been reallocated to the City Wide Account to help offset

budget gaps. Coupled with the fact that sales tax receipts are exceeding projections in the current fiscal year, amounts set aside for ward improvements will see an increase of $3.1M in FY2016. Park improvement accounts will also rise by $2.2M. These funds will be in addition to those made available from a $26M park improvement bonds issue from the previous 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 FY2016, the budgets for these two departments will total $56.6M and $168.9M 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. With the coming fiscal year, the Water Division will see the retirement of nearly all its outstanding revenue bonds and has allocated just over $597,000 for debt service payments compared to $4.2M in the previous year. The Division uses revenue bond issues from time to time to fund improvements to the Division's two treatment facilities and upgrades to the supporting infrastructure. With a budget of $168.9M, 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 44% 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 $58.2M respectively with the latter including a total of $8.0M for health insurance for active Police employees which will be paid through this fund. A third internal service fund includes City's Equipment Services Division fuel account which serves as the point of purchase of fuel for the various user departments. Total fuel costs are projected to total $5.6M a decrease of $1.7M, following recent declines in fuel prices over the past year.

SUMMARY

In summary, the total budget appropriation for FY2016 is $1,016.6M, a 1.1% increase compared to the previous fiscal year. The General Fund which serves as the main operating fund for funding major City services totals $492.6M. 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 $58.8M 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 FY2016 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 FY2016 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.

FY2016 Annual Operating Plan Highlights

- $5.6M increase for full year impact of prior year pay increases for City employees from all funds plus $5.3M for matrix step and other increases for uniformed Police and firefighters
- Police Dept. uniform strength to remain virtually unchanged at 1,287 officers; Overtime and vehicle purchase increases at $1.3M and $1.9M respectively
- Fire Pension system contributions to decline $2.5M following previous years declines due to market improvements and pension reform efforts
- Police and Employee Retirement system contributions to decline $1.7M and $2.5M respectively
- $3.6M increase in all funds to meet 9.6% rise in cost of employee health insurance
- Amounts of $195,000 and $150,000 in the Department of Personnel for Police promotional testing and recruiting efforts
- $0.4M increase in City Counselor's office for continued assumption of Police judgment costs from state
- $200,000 decrease in lease debt obligations in Citywide Accounts
- $1.1M increase in Worker's Compensation costs to reflect actual trends and continued initiative to reduce costs by 5%
- $300,000 in funding for Police Civilian Review Board in Office of Director of Public Safety
- $0.5M decrease in costs of the Election Board due to reduced election schedule; assumes funding for special elections for bond issue and Earnings tax elections
- $300,000 increase in Traffic Division to meet street lighting utility costs
- $625,000 decrease in Street Division for salt supply purchases following replenishment of inventories in FY15
- $0.4M decrease in contractual medical costs of Corrections Division due to lower census
- $1.0M increase in utility costs for City buildings in the Facilities Management Division including $600k for reassuming Forest Park utility costs
- Increase in $0.7M in ESD vehicle service repairs
- Decrease of $1.7M in estimated cost of gasoline and diesel fuel
- $2.5M restored in fully allocating ½ cent capital revenues to capital accounts for Ward and Rec Center improvements
- Capital improvements budget of $43.8M an increase of $5.1M 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 decrease of 12 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 FY2016 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

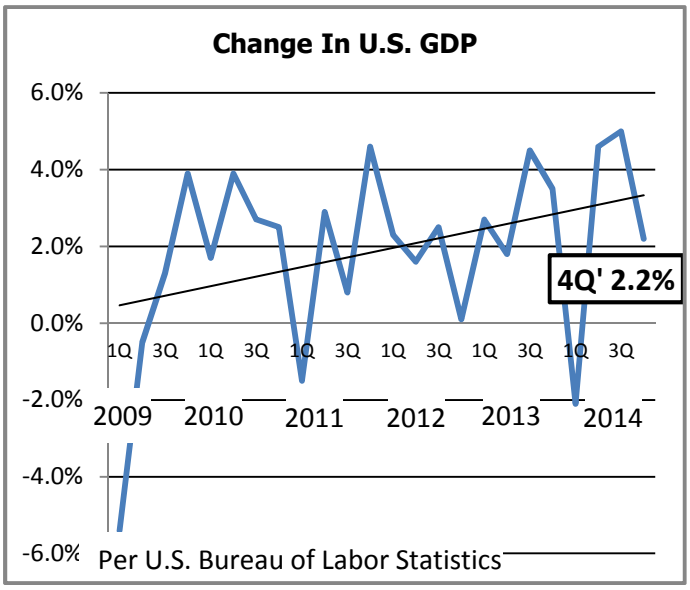
FY2016 ANNUAL OPERATING PLAN

This section presents summary information on the FY2016 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 FY2016.

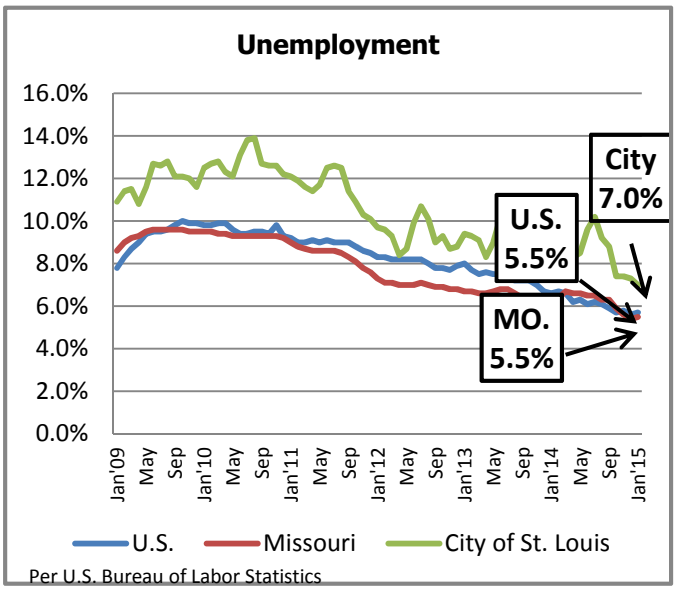
ECONOMIC OUTLOOK

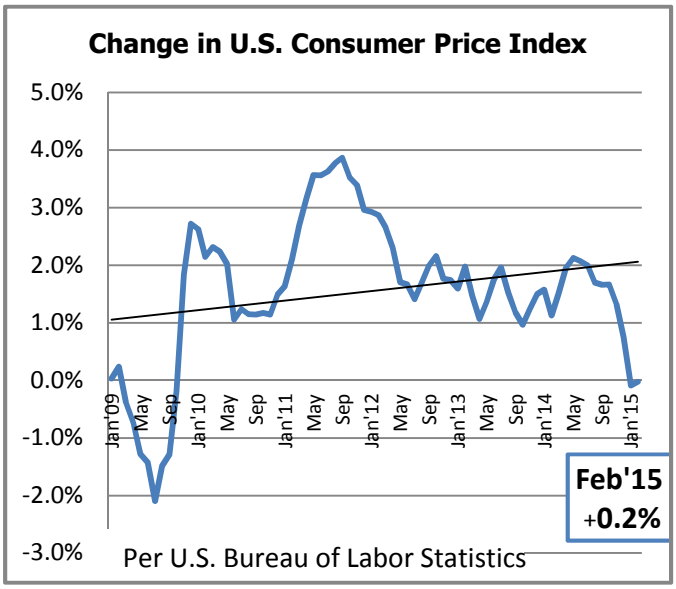
U. S. Economic Outlook

The annual rate of real growth in the gross domestic product for 2014 was 2.4% according to the U.S. Bureau of Economic Analysis. This compares to an increase of 2.2% in 2013. As in the prior year, most of the growth in GDP was attributed to growth in personal consumption expenditures, nonresidential fixed investment, exports, state and local government spending and a rise in residential investment offset in part by a decline in federal government spending. This positive growth, while modest, indicates that the current period of economic expansion continues and is poised to enter its seventh year. The fourth quarter of 2014 saw a pullback in the growth rate following a strong performance in the third quarter. Consumer spending however was reported to have risen 4.2%, the highest growth in nearly nine years, with GDP for the quarter rising 2.6%. The Bureau of Labor Statistics reports that non-farm payroll employment increased by 126,000 jobs in March, 2015 and that the national unemployment rate remained at 5.5%. The job numbers were a bit of a drop off from growth in recent which months which had been regularly topping 200,000. However, with the unemployment rate having dropped by 1.1% over the past year, and job creation numbers showing steady growth, the main concern from recent economic reports has been the lack of growth in wages. Real average hourly income



was reported to decrease 0.1% in February with an overall increase of 2.1% over the prior twelve month period.





Meanwhile, inflation has remained relatively tame with a reported 0.2% increase in the CPI in February and is at a level virtually unchanged over the last twelve months before seasonal adjustments. Given the strength in the job numbers and the unemployment rate approaching what is often considered to be full employment, the Federal Reserve has indicated it is getting closer to the point of lifting its accommodative policy of holding the federal funds interest rate at or near 0%. However, given that inflation remains below its 2% target, there remains some uncertainty as to when this point will be reached, with mid to late 2015 as real possibilities. In 2015, most economic outlooks foresee that the combination of the improving jobs market and low energy prices will contribute to continued economic growth in 2015 that is likely to extend into the following year as well. While interest rates will likely begin to rise in the coming months, it is anticipated that any increase will be modest and is not expected to dampen consumer spending nor impede long awaited improvements in the construction industry and housing markets. Various economic projections see GDP rising in the 3% range in 2015 as well as the following year with unemployment approaching the 5% mark and inflation remaining below 2%. Among potential risks to these growth estimates is the continuing strengthening of the dollar, which can curtail exports and the manufacturing sector as well as continued sluggishness in the labor force participation rate.

Missouri Economic Outlook

The State of Missouri cites continued improvements in economic activity through 2014. The U.S. Bureau of Labor Statistics reports that the state's unemployment rate had fallen to 5.5% by the end of January, down from 6.0% a year ago. The data indicates a net gain of over 88,000 in employment for the 12 month period. Meanwhile, the state projects continued improvement in personal income levels with increases of 4.7% and 5.1% projected for 2015 and 2016 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. Incentives utilized through St. Louis Development Corporation totaled $115M of public investment which leveraged $530M of private investment; projects utilizing these incentives will retain 828 jobs and are projected to create over 2,400 new jobs.

Entrepreneurial growth continued in 2014 downtown as T-REX expanded its footprint within the Lammert Building on Washington Avenue. Now home to over 100 startup companies, T-REX debuted its new grand entrance on the fifth floor, which was rehabbed in 2014 and includes co-working and event space.

In the CORTEX Innovation District, construction on IKEA broke ground at the intersection of Vandeventer and Forest Park Parkway at a projected cost of $110M with a grand opening in September 2015. Other CORTEX District projects under construction in 2014 include the new $50M Shriner's Hospital, set to open in April 2015, and Cortex Commons, a green space along Boyle Avenue to serve as a spine for the CORTEX District. Wexford Science & Technology's rehabbed building, @4240, located in the CORTEX District includes 180,000 square feet of office and lab space and is home to the first Cambridge Innovation Center location outside of Cambridge, Massachusetts. BJC HealthCare's Campus Renewal Project (a partnership of Barnes-Jewish Hospital, St. Louis Children's Hospital, and Washington University School of Medicine) continued with construction beginning for two 12-story medical towers on Kingshighway. Construction of a new six-story academic building began at the St. Louis College of Pharmacy; the 213,000 square foot building will include classrooms and research facilities.

Construction on midtown residential projects boomed with the groundbreaking of West Pine Lofts on West Pine at Sarah, The Standard at Vandeventer and Forest Park Parkway, and the Opus tower at Euclid and Lindell. These developments (all new construction) will create 587 residential units. Aventura Phase II opened, adding 102 units to the 101 units built in Phase I. Adjacent to the Aventura is the site for the $13M Hilton Home 2 Suites, a 106-room hotel set to open in 2015. The Cortona at Forest Park opened in the Highlands development on Oakland Avenue, bringing 278 new apartments to the area. Across the street from Cortona is the $13M Tri-Star Mercedes dealership, which includes a 45,000 square foot showroom which took over a property which had been abandoned since 2008.

Downtown, construction of the Arcade building broke ground in September 2014, and Ballpark Village opened, showcasing 100,000 square feet of retail, dining, and event space in its new entertainment venue. The revamped St. Louis Union Station Hotel opened, revealing 50,000 square feet of exhibit space and newly renovated rooms. Just north of downtown, Bissinger's opened its new corporate headquarters in a redevelopment on North Broadway, including 220,000 square feet of office and chocolate manufacturing space at a cost of $15M. Work on and near the Jefferson National Expansion Memorial continued as the $380M CityArchRiver 2015 project picked up speed; a new park over Interstate 70 will join the Arch grounds to the Old Courthouse, and a new promenade will add a 1.5 mile riverfront multi-use path.

City Economic Outlook

The trend of reports of moderate economic growth continued with the March 2015 report of the Eighth District of the Federal Reserve located in St. Louis. Economic activity in the St. Louis district was reported to be positive in the manufacturing, service and retail sectors and that while overall residential real estate markets have improved, commercial and industrial real estate markets and construction have been mixed. Retail sales were reported as either up or unchanged in the first two months of 2015, with particularly positive reports from auto sales. Manufacturing was cited to be experiencing net gains with planned job gains in apparel, auto, aerospace and chemical sectors offset with declines in electronics and metal industries. Most service sector reports including business support, transportation, recreation and health care saw positive results with declines anticipated in areas such as publishing. Improvements were also cited in both residential and commercial real estate market conditions and home sales as of December, 2014 in the St. Louis region were reported to have increased twenty-nine 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 7.0% in January, 2015 or about 2.0% lower than the level from the same time a year ago. The number of jobs and the rate of unemployment are expected to show continued

improvement as the national outlook approaches full employment. Retail sales as indicated by sales tax receipts have increased at a healthy pace in the past fiscal year, with increases across all sectors. Sales tax receipts have risen nearly 9% through the end of February. The long term growth rate for the sales tax remains at less than 1% per year although in recent years has averaged in the 2.5% range. Meanwhile, payroll spending showed continued growth but at the modest pace of 3.0% through the end of February. It is anticipated that the City will continue to see economic growth consistent with national and state trends in the coming fiscal year.

GENERAL FUND OVERVIEW

Sources of Funds

General fund revenues for FY2016 are forecast at $492.6M, an increase of 1.1% over the current year's revised estimate of $487.4M. Revenue growth projections for most major tax sources are expected to grow collectively by approximately 1.0% 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 2%. Sales tax receipts, on the other hand following an unusually strong performance in the current fiscal year are projected to revert back to trend and see a decline of 2.6% in FY2016. Other revenues, such as property tax receipts which are projected to rise by 1.5% 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 2.7% 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 outperforming long term trends. Individual withholding taxes were up 4.3% through third quarter of FY2015, suggesting that the growth in payrolls have solidified over the past year and for the current year at least has surpassed the rate of inflation. The growth in corporate receipts in recent years has continued in the current fiscal year. These receipts which represent about 18% of total earnings tax revenues were up 6.6% through the third quarter, with some of this growth attributed to one-time payments. 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 growth in withholding receipts could be a sign that the growth in payroll and employment that had previously lagged corporate results is showing signs of improvement. The Payroll tax, with a slightly different base that is more heavily

weighted toward the private sector, saw similar gains in the current fiscal year, rising over 6% through the end of the third quarter, with growth expected to follow the earnings tax trend in FY2016.

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. It is anticipated that a second retention vote will occur in the spring of 2016.

Property Tax

City property tax receipts have shown modest increases with receipts from both real and personal property up 0.7% and 7.2% respectively and 1.9% overall through the third quarter of FY2015. 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 FY2016. 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 over 11% through the end of April of 2015 far outpacing original budget estimates. A mid-year review of sales tax data indicated growth across all industry sectors. Although in recent fiscal years, sales tax receipts have grown in the 2.5% to 3.5% range, the long term growth rate remains close to 1% or less. Sales tax receipts can however often be boosted by major events such as post-season baseball, NCAA tournaments and the like which often provide an additional boost to receipts in the years in which they occur. In FY2012, a year boosted by, among other events, a World Series, receipts had climbed 9.5% in the fiscal year only to fall over 4.5% the following year. With such a strong performance in the current fiscal year, sales tax estimates for FY2016 assume a pullback of 2.6% to fall more in line with the growth trend of recent years.

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 FY2016, gasoline tax receipts, were up 4.2% through the fiscal third quarter, suggesting that lower gas prices has

contributed to an increase in consumption. Meanwhile, auto sales tax receipts had climbed 8.6% in the same period. Receipts for FY2016 are projected to continue to rise at a more modest rate 1.5%. Receipts from the state for prisoner reimbursements increased to $5.1M in FY2016, a small increase of about $100,000 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 $5.1M in FY2016. These revenues are based on the current state reimbursement rate of $20.58 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 assumed at the average of the last few years at approximately 1,600.

Franchise Utility Taxes

In FY2015 there was a 9% decline in cooling degree days over the summer months coupled with a 5.8% decline in heating degree days following the sever winter of the previous fiscal year. As a result, electric utility receipts, which represent nearly half of franchise utility taxes, had fallen 2.0% through the third quarter of FY2015 while natural gas tax receipts had increased only a modest 1.6% through the same period. Both of these franchise tax revenues are expected to post similar results at the end of the fiscal year. Steam franchise tax receipts had fallen more sharply, posting a 37% decline, however these revenues represent less than 2% of total franchise receipts. These tax receipts are expected to retreat back to historical norms in FY2016, while electric and natural gas receipts, reflecting some recent adjustments in rates, are projected to rise approximately 3.5% and 2.7% respectively. Revenues from the gross receipts tax on telecommunications which had seen a significant decline in FY2014, continued to fall in FY2015, and were down 1.4% through the third quarter. Estimates for these revenues in FY2016 assume a base that remains nearly flat at $13.2M. Gross receipts revenues from the sales of water in FY2016 are expected to also remain flat in the coming fiscal year while Airport gross receipts tax payments are projected to show an increase of less than 1%.

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 6.7% through the third quarter of the fiscal year with hotel tax receipts rising by close to 6% 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 FY2016 have restaurant and hotel tax receipts rising 2.0% over these higher levels. Amusement tax revenues had declined 8.3% through the third quarter due mainly to a lack of sporting events other than the NFL Rams at the Dome stadium this past year. FY2016 amusement tax receipts are projected to remain nearly flat at $1.85M.

Other License Fees

Cigarette taxes which have a historical trend of decline had actually risen slightly by 1.6% through the third quarter of FY2015. Projections for FY2015 are projected to see a slight decline and amount to just under $1.8M. The largest category of license fees remains the graduated business license (GBL). The previous fiscal year saw GBL remain flat at $7M. Receipts to date in FY2015 have shown an increase, however, given the timing of receipts, mostly in May and June, results for the current fiscal year are somewhat tentative. Estimated receipts for FY2016 are expected to remain close to historical levels $7.1M.

Departmental Receipts

Revenues derived from service fees and fines collected by various City Departments had been nearly flat, rising by 0.7% through the third quarter of FY2015 and were trailing original budget estimates. These year to date results suggest revenue shortfalls of $0.7M in City Court fines, $0.5M in Refuse collection fees, and $2.5M in EMS billing revenues offset in part by Building Division permit fees which are projected to exceed estimates by $300,000. In FY2016, departmental receipts are projected to remain nearly flat over these revised estimates. Modest increases in some departments will be offset by declines, related in part to one-time revenues in others. With some improvement in building and construction and a number of new commercial developments, total building permit revenue is expected to reach $9.2M which is $0.3M higher than revised estimates for FY2015. On the downside, EMS revenues which benefited from a one-time Medicaid payment of $425,000 are expected to fall a like amount and remain flat thereafter. City Court revenues are also expected to stabilize at a new lower level of approximately $3.8M, or $200,000 less than revised estimates for FY2015. Meanwhile, the City continues to await a final court decision on red light camera enforcement. Proceeds estimated at $3.5M per year are being deposited in an escrow account pending final resolution of the case. 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 FY2016 general fund budget is proposed at $492.6M, an increase of 1.7% from the budget for FY2015. 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 FY2016 proposed general fund budget maintains staffing for most City departments with a few exceptions at current year levels. Overall, the general fund budget proposes a net increase of 5 positions. In FY2015, the City provided for merit pay increases of 2% for most employees. Uniformed fire and police employees received a combination of pay increases consisting of matrix step increases, a fitness incentive that could total up to $1,200 and a $1,000 across-the-board increase which became effective in February. In FY2016, non-uniform City employees will convert to a pay matrix as well. There will be an initial cost of converting existing pay rates into the new merit based pay matrix and employees will then become eligible for pay increases of 1.5% upon their anniversary date. For FY2016, uniformed fire and police employees will receive an across-the-board increase of $1,000, a fitness incentive of up to $1,000 and the usual matrix step increases upon anniversary dates of hire. In recent years, the 2% anniversary based pay increases had a budgetary impact of about 1%, where typically, salary savings from attrition would be sufficient to cover the cost. The full impact of the increase would then be budgeted in the subsequent fiscal year. The budget for FY2016 continues to take this approach, incorporating the increases in base pay for all employees received in the previous fiscal year and adding those increases related to uniformed employee pay occurring at the beginning of the fiscal year. For the general fund, the full year impact of these pay increases will be $4.0M and $5.2M, respectively. The cost of health insurance premiums for City employees is expected to rise 9.6% in FY2016. With administrative costs held flat, the overall increase in the budget will amount to 8.4%. This increase amounts to approximately $1.4M 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. Pension costs in the general fund are budgeted to decline by a total of $5.5M. Approximately $2.1M of this reduction is related to recent reform efforts of the firefighters' pension plans as well as improvements in market conditions, while ERS and PRS contributions will decline by $1.6M and $1.8M, respectively, due primarily to market gains of the respective systems.

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 $156.2M in operating and pension costs represents approximately 32% of the general fund budget and is the largest component unit of Public Safety. This total includes approximately $4.4M for increases in pay for uniform and civilian employees of the department, including fitness incentives. The amount budgeted for overtime expenditures will also increase by $1.3M as recent initiatives such as "hot spot policing" to target high crime areas and other efforts to heighten police presence has led to an increase in these expenditures. In recent fiscal years, the Department could utilize any funds remaining within its budget at the end of the fiscal year to purchase needed equipment, particularly police vehicles. With the events and civil disturbances of the current fiscal year depleting these resources, a total of $1.9M has been budgeted to help address these equipment needs. As part of an effort to ensure the continued confidence and working relationships between the Police Department and the community it serves, the City recently enacted an ordinance establishing a Civilian Review Board. The FY2016 budget includes $300,000 in the office of the Director of Public Safety for funding the work of this Board. With the onset of local control of the Police Department, there were a number of functions within the Police Department that were 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 were assumed by the Police Department, namely the City Marshal and the Park Rangers unit of the Parks Division. The FY2016 budget continues to allocate these funds to each of these separate units with the hope 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 new Police headquarters building on Olive Street was opened in the first quarter of the current fiscal year and the Department is gradually making improvements as funding allows. The City's Emergency Management Agency has been relocated there from its former home in the basement of Soldiers' Memorial. The technical improvements include equipment for a Real Time Crime Center (RTCC) and related camera monitoring projects. The Department's overall uniformed strength will remain relatively unchanged in FY2016 at a total of 1,287 officers. This total includes trainee positions that were previously classified as civilians. Efforts to increase the number of officers and identify additional sources of funds for doing so are ongoing. Meanwhile, recruiting and promotional efforts will be enhanced with $345,000 budgeted in the Police Unit of the Department of Personnel. Following years where the increased cost of benefits and market losses had caused Police pension costs to reached new highs, recent improvements in the market performance have led to a modest reduction in costs and FY2016 will see a reduction of $1.9M in pension contribution requirements. 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.

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 1,240 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

In the Judicial Offices, the office of the Jury Commissioner is being budgeted under the office of the Court Administrator, while requests for capital repair projects are being addressed through the City's Capital fund, but otherwise there are few budgetary changes. Typically, FY2016 would have been a year where there were no scheduled elections, however, in the coming fiscal year, there is the prospect of two special elections. The first of these being a potential election for a proposed general obligation bond issue and the second a retention vote on the City's Earnings tax. The FY2016 budget assumes funding of over $300,000 for an election pertaining to the bond issue, expected to take place later this calendar year. Meanwhile, since the state of Missouri is already holding a presidential preference primary in March of 2016, $180,000 in funds for the Earnings Tax election have been budgeted assuming that this election is held on the state election date and thus the costs can be shared with the state. After costs for these special elections, the budget for the Election Board will see a net reduction of approximately $500,000.

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. Offsetting the $2.5M increase in general fund debt payments to the capital fund made due to the resumption the full allocations in ½ cent sales tax revenues, the expiration of payments on the Civil Courts debt as well as a decline in convention center and Kiel center debt payments will result total debt payments in City wide accounts totaling $36.1M for a decline of about $200,000 from the previous fiscal year. Unemployment compensation costs are projected to decline by $100,000 following the trend of the current fiscal year. The amounts budgeted for the office of the Assessor will increase by $100,000 as well. The amount budgeted for Workers' Compensation settlements will increase by $165,000 for those departments not large enough to merit an individual account. Overall worker's compensation costs which typically exceed budget each year are budgeted at

$5.1M for an increase of $1.1M. This is represents a targeted reduction of 5% from a three year average of these costs.

Parks Department

In the Parks Department, the Director of Parks office will be assuming the coordination of the City's recycling program efforts from the Refuse Division. As a result, one full-time and one part-time position have been moved into the Park Director's budget. 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 maintain 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.

Street Department

In the current fiscal year the Streets Division had planned to replenish its salt supply with the purchase of 20,000 tons of salt at a total cost of $1.0M. However, high demand and limited salt supplies had caused the cost of salt to more than double, causing the actual purchase to exceed budget by $1.2M. With a milder winter weather this past season, and the supply replenished, the allocation for salt purchases has been budgeted at $325,000, a reduction of $675,000 from the prior fiscal year. With the additional purchase, this should provide a total of over 30,000 tons to meet next season's needs. The Traffic Division will see an increase of $300,000 related to meet the rising lighting utility costs. In the past year, both revenues from the Refuse collection fee as well as revenue from the sale of recycled waste saw modest declines. After one-time adjustments in the previous year, revenues are projected to stabilize at current year levels. The Refuse Division budget will see a cut of five vacant positions for a reduction of approximately $150,000.

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. In the City's Facilities Management Division, $600,000 has been budgeted for Forest Park utility costs which were previously paid from general revenue but in recent years due to budget constraints were paid out of Forest Parks special fund revenue. Aside from these costs, an additional $400,000 has been budgeted to meet utility cost increases of all City

facilities. As previously mentioned, the Division will also be assuming payments of the City's sewer bills to MSD which are currently estimated at $1.2M. In the City's Equipment Services Division, the expense of maintaining the City aging fleet vehicles, particularly fire equipment continues to rise and $700,000 has been budget to meet these costs. One area where costs have declined recently has been the cost of fuel. The City's Equipment Services Division purchases approximately 1.9M gallons of fuel annually to keep City service vehicles running. Whereas in FY2015, budgeted costs for fuel topped $6.9M, the average costs per gallon of gasoline and diesel are projected to be at levels at more than 25% lower than the previous year. As a result, the budget for fuel costs will go down by approximately $1.7M. These 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

General Government and Finance

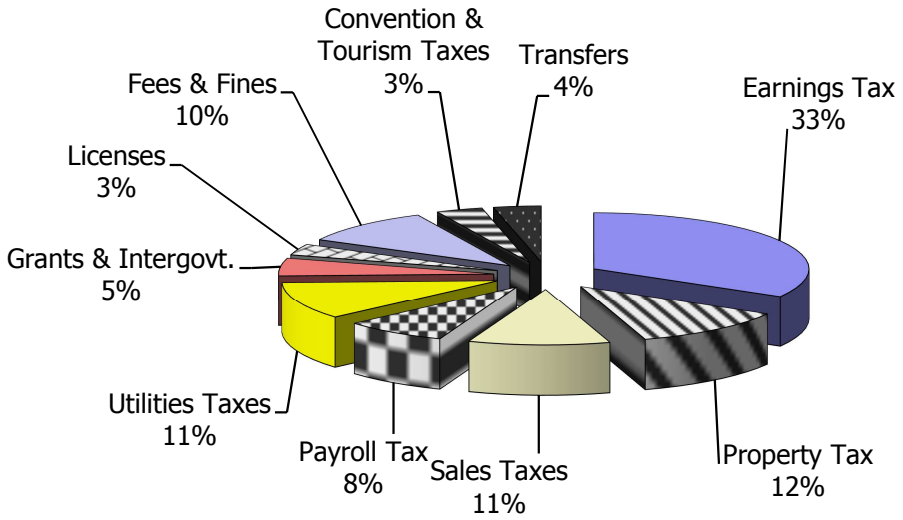
Administrative offices in City government for the most part will see budgets either flat or slightly higher for the most part with increases restricted to pay and benefit costs discussed above with a few notable exceptions. As discussed earlier, FY2015 was the first full year for a number of departments assuming units of civilian employees that were previously a part of the Police Department. The FY2016 budget continues to see some adjustments to these reallocated duties. The Police unit of the Department of Personnel's budget includes $150,000 for promotional testing for the Police Department as well as $150,000 to expand recruiting efforts. This will be offset in part by a reduction of $150,000 following testing for the Fire Department that was completed in the prior fiscal year. An additional amount of $25,000 has been allocated for Citywide recruiting efforts. The Police unit of the City Counselor's office will see an increase of $400,000 in contributions to PFPC, the City's judgment fund, as state participation in these costs has declined with the onset of local control. The office will also add an attorney position to assist with the caseload. The City's Information Technology Services Agency (ITSA) will see an increase of $113,000 to expand its City Works initiative. This initiative is a software innovation that allows departments to improve the provision of services by having real time data access. An additional $220,000 has been budgeted to meet increase costs of the City's sewer bills to MSD. The total costs estimated at $1.2M have been moved from the Comptroller's Office to the budget of Facilities Management where other utility costs are budgeted.

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.

FY2016 General Fund Budget Highlights

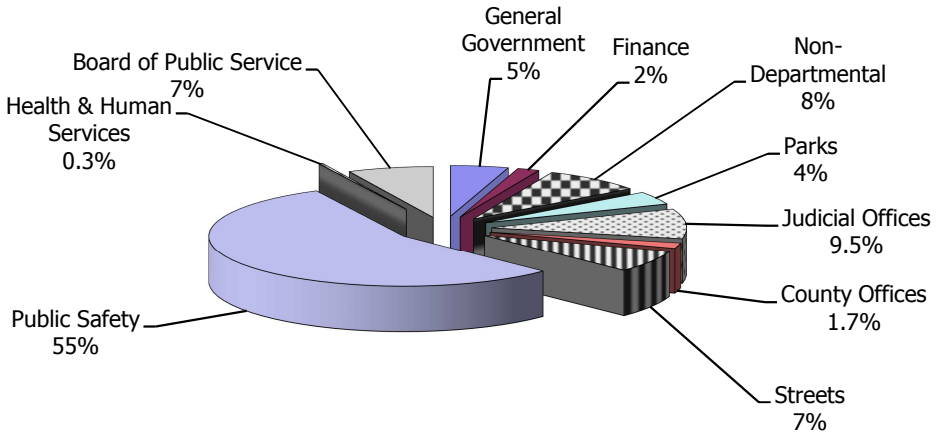
- $4.0M increase for full year impact of prior year pay increases for City employees from all funds plus $5.2M for matrix step and other increases for uniformed Police and firefighters
- Police Dept. uniform strength to remain virtually unchanged at 1,287 officers; Overtime and vehicle purchase increases at $1.3M and $1.9M respectively
- Fire Pension system contributions to decline $2.1M following previous years' declines due to market improvements and pension reform efforts
- Police and Employee Retirement system contributions to decline $1.8M and $1.6M respectively
- $2.5M increase to meet 9.6% rise in cost of employee health insurance
- Amounts of $195,000 and $150,000 in the Department of Personnel for Police promotional testing and recruiting efforts
- $113,000 increase to Information Systems for expansion of City Works Initiative
- $0.4M increase in City Counselor's office for continued assumption of Police judgment costs from state
- $200,000 decrease in lease debt obligations in Citywide Accounts
- $1.1M increase in Worker's Compensation costs to reflect actual trends and continued initiative to reduce by costs by 5%
- $0.5M decrease in costs of the Election Board due to reduced election schedule; Assumes funding for special elections for bond issue and Earnings tax elections
- $300,000 increase in Traffic Division to meet street lighting utility costs
- $625,000 decrease in Street Division for salt supply purchases following replenishment of inventories in FY15
- $300,000 in funding for Police Civilian Review Board in Office of Director of Public Safety
- $0.4M decrease in contractual medical costs of Corrections Division due to lower census
- $1.0M increase in utility costs for City buildings in the Facilities Management Division including $600k for reassuming Forest Park utility costs
- Increase in $0.7M in vehicle repair costs of the Equipment Services Division
- Estimated $1.7M decline in estimated costs of gasoline and diesel fuel
- Net increase of 8 positions in the general fund

FY2016 General Fund Revenues



Total General Fund Revenues = $492.6 Million

FY2016 General Fund Budget by Department



Total General Fund Budget = $492.6 Million

PROJECTED OPERATING RESULTS

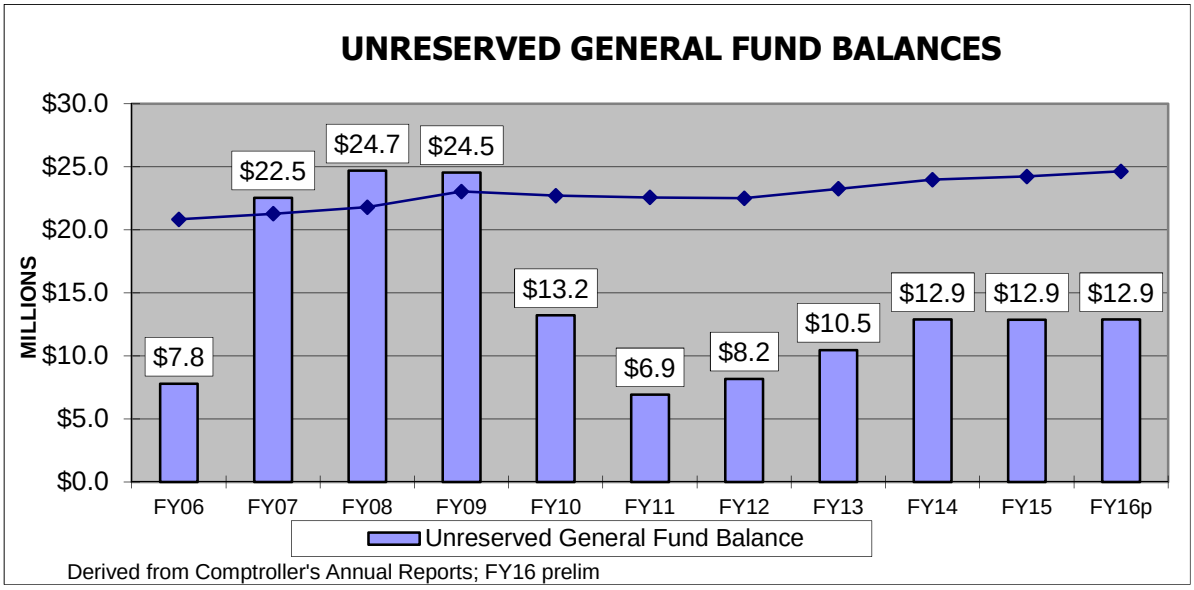
GENERAL FUND

The adjacent table presents the projected general fund operating results for FY2016. The proposed general fund appropriation is balanced at $492.6M 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. While revenues in the current fiscal year were slightly outperforming estimates through the fiscal third quarter, due to extraordinary expenditures related to events earlier in the fiscal year, these funds are expected to be appropriated in a supplemental appropriation by fiscal year's end. It remains a goal to continue to restore the unserved fund balance to its target amount.

FY2016

General Fund Projected Operating Results

Estimated Revenue	$492,637,700
General Fund Appropriation	492,628,408
Operating Balance	$ 9,292



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 down 2.3% through the end of March, 2015 and were expected to finish the year down by approximately $0.8M to a total of $30.6M. These results reflect the recent increase in rates in the local use tax rate in recent years including 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 FY2016. 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 FY2016, factoring in the projected revenue as well as the appropriation of beginning balances in the prior year, total appropriations in the Local Use tax fund will see a slight rise of approximately $0.1M. The costs of the Assessor's office reflecting payroll cost increases discussed earlier will rise by about $50,000 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 FY2016 is budgeted at $1.55M, an increase of $100,000 taking into account the use of beginning fund balances from the year before in the **Assessment Fund**. In the current fiscal year, special fund revenues for **Lead Remediation** had risen 15.3% while **Building Demolition Funds** had been nearly flat 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 FY2016 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 FY2016, **Gaming Fund** revenues are projected to total $7.1M or approximately $0.3M less than the prior year. The decline in gaming funds reflects a year to date drop in gaming receipts of approximately 5% through the fiscal third and are projected to remain flat at this new lower level next fiscal year. Despite this decline, the total gaming fund appropriation for FY2016 will increase by approximately $1.9M, following a reduced appropriation in the prior year to account for a deficit in the fund of a similar amount.

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 remain flat in the coming fiscal year. The budget for the Water Division in FY2016 will decrease by $1.4M or 2.4% due primarily to the expiration of existing revenue bond debt. 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 $168.9M is a decrease of $2.8M or 1.6%. The Airport budget reflects a net decrease of 1 position and the Airport is supplementing its normal revenues with a draw of $13.7M in rate mitigation reserves.

With sales tax receipts in FY2016 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 $1.4M in projected beginning balance amounts from sales taxes in FY2016. Two debt service fund releases will provide an additional $650,000 that will be appropriated for capital purposes in the coming fiscal year.

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 $280M. These projects will be funded through a combination of local, state and federal funds. Over the five year period, an estimated $229M 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 FY2016 Capital Budget funds the first year of the plan with a recommended appropriation of $43.8M. This is an increase of $5.1M from the prior year. While most of the Capital Improvements funding comes from dedicated sales tax revenues, other revenues supporting the capital budget include $4.4M from projected gaming revenues, $1.5M in courthouse restoration fees, $630,000 in gasoline tax revenue and $500,000 in projected proceeds from the sale of miscellaneous City assets.

Capital expenses planned for FY2016 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 - $9.6M

Each of the City's 28 wards will be allocated $316,000 in ½ cent sales tax revenues. As previously indicated, this amount reflects resumption of the full allocation of these sales tax proceeds. Bolstered by excess sales tax receipts in the current fiscal year, this total amount for ward improvements represents an increase of over $3.0M or just under 50% from the prior year appropriation. 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 - $9.1M

The City's six major parks, Forest Park, Tower Grove, Carondelet, Fairgrounds, O'Fallon and Willmore and various neighborhood parks will share in $4.1M in ½ cent sales tax and $5.1M in metro parks sales tax improvement funds. A good portion of these revenues have been dedicated to servicing the debt on recent parks improvement bond issues. The most recent issue completed in 2014, consists of funds for $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 $1.6M.

Facility Improvements - $15.9M

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, Carnahan Courthouse and Juvenile Detention Center as well as the renovated City building at 1520 Market St and Police Dept. area command stations. In FY2016, $440,000 has been allocated for servicing a new Energy Conservation loan known as QECB, $300,000 is being provided for miscellaneous building repairs, $160,000 is being allocated for the purchase of e-Poll books for the Election Board and $150,000 is being allocated 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 FY2016, 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 - $1.3M

A total $1.3M 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.

FY16 REVENUE SUMMARY - ALL FUNDS (in millions)

	FY14 Actual	FY15 Revised	FY16 Budget	% Change FY15-16
General Fund				
Earnings Tax	$154.5	$161.0	$164.3	2.0%
Property Tax	56.4	57.4	58.3	1.5%
Sales Tax	49.6	53.6	52.2	-2.6%
Payroll Tax	35.6	37.6	38.2	1.5%
Franchise (Utilities) Taxes	53.0	52.4	53.8	2.7%
License Fees	15.7	15.5	15.6	0.5%
Grants & Intergovernmental Revenues	23.4	25.4	25.1	-1.3%
Department User Fees and Fines	54.7	49.9	50.5	1.3%
Transfers	33.6	34.7	34.7	0.0%
	476.6	487.4	492.6	1.1%
Special Revenue Funds				
Property Tax	2.1	2.1	2.1	0.0%
Franchise (Utilities) Taxes	5.6	6.2	6.3	0.9%
Local Use Tax	31.4	30.7	30.7	0.0%
Sales Tax	22.4	24.2	23.6	-2.6%
Other Taxes	16.8	17.7	18.3	3.5%
Grants & Intergovernmental Revenues	58.1	70.2	68.1	-2.9%
Department User Fees and Fines	26.8	27.2	27.7	1.9%
Transfers	3.3	3.1	3.2	3.3%
Fund Balances and Other Resources	7.0	5.0	3.9	-22.9%
	173.5	186.3	183.8	-1.4%
Debt Service Fund				
Property Tax	6.8	6.9	4.8	-29.6%
Capital Improvement Funds				
1/2 Cent Sales Tax	18.0	19.5	19.0	-2.6%
Metro Parks Sales Tax- 1/10	1.7	1.8	1.7	-2.6%
Metro Parks Sales Tax- 3/16	1.4	2.7	2.6	-2.6%
Grants & Intergovernmental Revenues	0.6	0.6	0.6	0.0%
Department User Fees and Fines	1.3	1.2	1.5	22.0%
Transfers	14.4	10.2	14.5	42.2%
Other Resources	0.5	0.7	1.3	97.8%
Balances / Surpluses Previous Years	2.2	2.7	2.6	-5.5%
	40.1	39.4	43.8	11.3%
Enterprise Funds				
Franchise (Utilities) Taxes	5.1	5.2	5.2	0.0%
Enterprise Revenues	231.9	237.6	234.3	-1.4%
	237.0	242.8	239.5	-1.4%
Internal Service Funds				
Department User Fees and Fines	43.0	54.8	58.9	7.4%
Equipment Services Fuel Fund	4.0	6.3	5.3	-15.3%
Total General Appropriation	**$981.0**	**$1023.8**	**$1028.7**	**0.5%**
Funds Appropriated Separately				
Community Development & Housing Grants[1]	$16.7	$15.4	$15.2	-1.9%
Street Improvement Fund	5.3	5.5	5.5	0.0%
Transportation Fund Revenues	37.0	30.2	33.1	9.5%
Parking Division Revenues	21.3	14.7	17.5	18.9%
	80.3	65.9	71.3	8.2%
Total All Sources	**$1061.3**	**$1089.7**	**$1100.0**	**0.9%**

[1] *Excluding CDBG in general appropriations*

FY16 BUDGET SUMMARY - ALL FUNDS (in millions)

	FY14 Actual	FY15 Budget	FY16 Budget	% Change FY15-16
General Fund	$481.7	$484.4	$492.6	1.7%
Special Revenue Funds				
Assessment Fund	4.2	4.3	4.3	1.1%
Convention and Tourism Fund	5.6	6.1	5.8	-5.1%
Public Safety Trust Fund	20.0	21.0	22.2	5.6%
Neighborhood Parks Fund	7.9	8.7	9.2	5.6%
Convention and Sport Facility Trust Fund	8.5	8.7	8.5	-2.3%
Lateral Sewer Fund	2.7	2.6	2.6	1.1%
Cable Communications Fund	0.9	0.9	0.9	2.2%
Port Authority	1.6	1.3	1.3	0.6%
Riverfront Gaming Fund	8.0	5.3	7.2	35.5%
Local Use Tax Fund	30.2	32.5	32.7	0.5%
Other Special Revenue Funds	34.5	31.9	31.5	-1.3%
	124.0	123.4	126.3	2.4%
Grant Funds				
St. Louis Agency on Training and Employment	5.6	4.0	4.0	1.4%
Community Development (excl. separate approp.)	6.8	5.8	6.3	7.9%
Health and Human Services	22.4	35.1	36.0	2.7%
Police Department	6.6	11.5	8.2	-29.2%
Other Grants	5.3	4.2	4.3	1.4%
	46.6	60.6	58.8	-3.0%
Debt Service Fund	8.7	6.9	4.8	-29.6%
Capital Funds	35.9	38.7	43.8	13.3%
Enterprise Funds				
Water Division	51.9	57.8	56.6	-2.1%
Airport Authority	161.9	171.7	168.9	-1.6%
	213.8	229.5	225.5	-1.7%
Internal Service Funds				
Mail Room	0.5	0.9	0.9	-3.7%
Fuel Services	4.4	7.4	5.7	-23.1%
Employee Benefits Fund	41.7	54.2	58.2	7.5%
	46.7	62.5	64.8	3.7%
Total General Appropriation	**$957.3**	**$1005.9**	**$1016.6**	**1.1%**
Funds Appropriated Separately				
Community Development & Housing Grants[1]	$16.7	$15.4	$15.2	-1.9%
Street Improvement Fund	5.3	5.5	5.5	0.0%
Transportation Fund Revenues	37.0	30.2	33.1	9.5%
Parking Division Revenues	21.3	14.7	17.5	18.9%
	80.3	65.9	71.3	8.2%
Total All Sources	**$1037.6**	**$1071.8**	**$1087.9**	**1.5%**

[1] *Excluding CDBG admin. portion*

FY16 BUDGET SUMMARY - ALL FUNDS BY DEPARTMENT

Dept. #	Department	General Fund	Special Funds Revenue	Special Funds Grant	Enterprise Funds	Total Funds
GENERAL GOVERNMENT						
110	Board of Aldermen	3,082,762	-	-	-	3,082,762
120	Mayor's Office	1,778,835	144,533	-	-	1,923,368
121	St. Louis Agency on Training and Emp.	-	-	4,042,011	-	4,042,011
123	Department of Personnel	2,906,073	-	-	116,602	75,875,546
	Police Unit	1,113,960	-	-	-	-
	Employee Benefits Fund	-	58,238,911	-	-	-
	Employee Pension Trust Fund	-	13,500,000	-	-	-
124	Register	168,691	-	-	-	168,691
126	Civil Rights Enforcement Agency	323,396	-	248,927	-	572,323
127	Information Tech. Service Agency	5,741,056	200,000	-	-	5,941,056
137	Budget Division	442,935	-	-	-	442,935
139	City Counselor	5,652,313	573,161	809,745	-	8,939,459
	Police Unit	1,904,240	-	-	-	-
141	Planing and Urban Design	508,733	-	962,721	-	1,471,454
142	Comm. Development Administration	-	-	2,710,480	-	2,710,480
143	Affordable Housing Commission	-	5,083,549	-	-	5,083,549
	Subtotal	**23,622,994**	**77,740,154**	**8,773,884**	**-**	**110,253,634**
FINANCE						
160	Comptroller	6,581,525	-	-	97,850	13,078,757
	Gateway Transportation Ctr.	-	1,394,912	-	-	-
	Lateral Sewer Fund	-	61,213	-	-	-
	Tax Increment Financings	-	945,329	-	-	-
	Trustee Lease Fund	-	3,874,085	-	-	-
	Grant and Other Funds	-	-	123,843	-	-
162	Municipal Garage	346,552	-	-	-	346,552
163	Microfilm	378,163	-	-	-	378,163
170	Supply Commissioner	727,600	-	-	-	727,600
171	Multigraph	776,402	-	-	-	893,570
	Police Unit	117,168	-	-	-	-
172	Mail Room	-	864,941	-	-	864,941
180	Assessor	-	4,348,508	-	-	4,348,508
	Subtotal	**8,927,410**	**11,488,988**	**123,843**	**-**	**20,638,091**
NON-DEPARTMENTAL						
190	City Wide Accounts	40,635,525	-	-	-	50,780,525
	Convention and Tourism Fund	-	5,755,000	-	-	-
	Riverfront Gaming Fund	-	4,390,000	-	-	-
	Subtotal	**40,635,525**	**10,145,000**	**-**	**-**	**50,780,525**
PARKS, RECREATION & FORESTRY						
210	Dir. Parks, Recreation, and Forestry	682,506	8,779,367	-	-	9,461,873
213	Division of Recreation	1,414,425	-	303,448	-	1,717,873
214	Division of Forestry	8,479,611	253,101	-	-	8,732,712
215	Operation Brightside	-	-	300,091	-	300,091
220	Division of Parks	8,864,144	2,662,652	-	-	11,526,796
225	Soulard Market	225,105	-	-	-	225,105
250	Tower Grove Park	715,000	-	-	-	715,000
	Subtotal	**20,380,791**	**11,695,120**	**603,539**	**-**	**32,679,450**
JUDICIAL OFFICES						
310	Circuit Clerk	-	-	-	-	-
311	Circuit Court	10,056,242	-	-	-	10,056,242
312	Circuit Attorney	7,351,895	2,699,125	1,114,875	-	11,165,895
313	Board of Jury Supervisors	-	-	-	-	-
315	Sheriff	9,363,306	-	281,447	-	9,644,753
316	City Courts	2,667,490	-	-	-	2,667,490
317	City Marshal	-	-	-	-	-
320	Probation and Juvenile Detention	16,959,821	431,604	28,022	-	17,419,447
321	Circuit Drug Court	237,138	-		-	237,138
	Subtotal	**46,635,892**	**3,130,729**	**1,424,344**	**-**	**51,190,965**

FY16 BUDGET SUMMARY - ALL FUNDS BY DEPARTMENT

Dept. #	Department	General Fund	Special Funds Revenue	Special Funds Grant	Enterprise Funds	Total Funds
COUNTY OFFICES						
330	Tax Equalization Board	10,500	-	-	-	10,500
331	License Collector	-	8,500,000	-	-	8,500,000
333	Recorder of Deeds	2,782,689	-	-	-	2,782,689
334	Board of Election Commissioners	2,942,681	-	-	-	2,942,681
335	Medical Examiner	2,137,931	4,800	25,000	-	2,167,731
340	Treasurer	736,974	-	-	-	736,974
	Subtotal	**8,610,775**	**8,504,800**	**25,000**	**-**	**17,140,575**
PUBLIC UTILITIES						
401	Communications Division	-	936,425	-	-	936,425
415	Water Division	-	-	-	56,354,415	56,354,415
420	Airport Authority	-	-	-	168,923,826	168,923,826
	Subtotal	**-**	**936,425**	**-**	**225,278,241**	**226,214,666**
STREETS						
510	Director of Streets	1,300,041	-	-	-	3,578,109
	Lateral Sewer Fund	-	2,278,068	-	-	-
511	Traffic and Lighting	9,946,983	-	-	-	9,946,983
513	Auto Towing and Storage	1,786,863	-	-	-	1,786,863
514	Street Division	6,960,406	482,984	-	-	7,443,390
516	Refuse Division	15,235,749	956,136	310,000	-	16,501,885
520	Port Authority	-	1,260,000	-	-	1,260,000
	Subtotal	**35,230,042**	**4,977,188**	**310,000**	**-**	**40,517,230**
PUBLIC SAFETY						
610	Director of Public Safety	1,081,127	1,212,976	790,000	-	3,084,103
611	Fire Department	56,899,624	1,075,000	1,096,070	-	59,070,694
612	Firefighters' Pension Systems	6,933,835	5,500,000	-	-	12,433,835
614	Office of Special Events	185,270	-	-	-	185,270
616	Excise Commissioner	452,782	-	-	-	452,782
620	Building Commissioner	8,268,788	7,306,611	799,500	-	16,374,899
622	Neighborhood Stabilization	2,706,254	-	143,774	-	2,850,028
625	CEMA	170,414	-	181,992	-	352,406
632	Medium Security Institution	16,311,303	-	-	-	16,311,303
633	City Justice Center	22,941,005	-	-	-	22,941,005
650	Police Department	124,432,451	21,188,200	8,178,426	-	157,106,630
	City Marshals	1,703,569	-	-	-	-
	Park Rangers	1,603,984	-	-	-	-
651	Police Retirement System	28,463,503	5,500,000	-	-	33,963,503
	Subtotal	**272,153,909**	**41,782,787**	**11,189,762**	**-**	**325,126,458**
HEALTH AND HOSPITALS						
700	Director, Health and Hospitals	-	1,969,910	1,039,117	-	3,009,027
710	Health Commissioner	-	316,710	-	-	316,710
711	Communicable Disease Control	-	2,089,119	12,323,448	-	14,412,567
714	Animal Care and Control	-	1,396,151	50,000	-	1,446,151
715	Environmental Health Services	-	1,589,721	200,090	-	1,789,811
719	Family/Community/School Health	-	1,116,370	327,142	-	1,443,512
737	Health Care Trust Fund	-	5,000,000	-	-	5,000,000
	Subtotal	**-**	**13,477,981**	**13,939,797**	**-**	**27,417,778**
HUMAN SERVICES						
800	Director of Human Services	1,488,571	662,642	22,392,286	-	24,543,499
	Subtotal	**1,488,571**	**662,642**	**22,392,286**	**-**	**24,543,499**
BOARD OF PUBLIC SERVICE						
900	President, Board of Public Service	2,685,568	709,765	-	-	3,395,333
903	Facilities Management	12,995,053	-	-	-	17,100,251
	Police Unit	4,105,198	-	-	-	-
910	Equipment Services Division	10,488,840	141,321	-	-	20,843,213
	Police Unit	4,523,102	-	-	-	-
	Fuel Services Fund	-	5,689,950	-	-	-
930	Soldier's Memorial	144,738	-	-	-	144,738
	Subtotal	**34,942,499**	**6,541,036**	**-**	**-**	**41,483,535**

FY16 BUDGET SUMMARY - ALL FUNDS BY DEPARTMENT

Dept. # Department	General Fund	Special Funds Revenue	Special Funds Grant	Enterprise Funds	Total Funds
CAPITAL IMPROVEMENTS FUND	-	43,838,747	-	-	43,838,747
DEBT SERVICE FUND	-	4,823,937	-	-	4,823,937
TOTAL BUDGET	**$492,628,408**	**$239,745,534**	**$58,782,455**	**$225,492,693**	**$1,016,649,090**

FY16 BUDGET SUMMARY - ALL DEPARTMENTS BY FUND

Fund	Dept. #	Department	FY14 Actual	FY15 Budget	FY16 Budget
General Fund					
1010	110	Board of Aldermen	2,867,272	2,941,480	3,082,762
1010	120	Mayor's Office	1,778,582	1,809,455	1,778,835
1010	123	Department of Personnel	3,155,801	3,027,294	2,906,073
1010	1230001	Department of Personnel- Police Unit	534,552	963,928	1,113,960
1010	124	Register	178,487	183,414	168,691
1010	126	Civil Rights Enforcement Agency	324,973	322,701	323,396
1010	127	Information Tech. Services Agency	5,018,718	5,480,180	5,741,056
1010	137	Division of the Budget	423,429	441,259	442,935
1010	139	City Counselor	5,375,245	5,544,069	5,652,313
1010	1390001	City Counselor- Police Unit	490,204	1,443,152	1,904,240
1010	141	PDA	113,622	512,543	508,733
1010	160	Comptroller	8,530,368	8,215,999	6,581,525
1010	160	Comptroller- Abram Building Operations	-	-	-
1010	162	Municipal Garage	319,750	345,418	346,552
1010	163	Microfilm Section	329,116	379,743	378,163
1010	170	Supply Commissioner	698,440	730,834	727,600
1010	171	Multigraph Section	716,693	819,500	776,402
1010	1710001	Multigraph Section- Police Unit	107,248	115,158	117,168
1010	190	City Wide Accounts	43,143,733	40,615,258	40,635,525
1010	210	Director, Parks, Recreation & Forestry	529,910	596,106	682,506
1010	213	Division of Recreation	1,423,883	1,393,032	1,414,425
1010	214	Division of Forestry	7,802,490	8,521,521	8,479,611
1010	220	Division of Parks	9,884,481	9,023,109	8,864,144
1010	225	Soulard Market	191,548	229,242	225,105
1010	250	Tower Grove Park	700,000	710,000	715,000
1010	310	Circuit Clerk	869,825	-	-
1010	311	Circuit Court (General)	6,859,122	8,331,446	10,056,242
1010	312	Circuit Attorney	7,170,148	7,329,916	7,351,895
1010	313	Board of Jury Supervisors (Cir. Judges)	1,338,862	1,484,047	-
1010	315	Sheriff	9,191,646	9,453,314	9,363,306
1010	316	City Courts	2,560,831	2,665,981	2,667,490
1010	317	City Marshal	312,089	-	-
1010	320	Probation Dept. & Juvenile Detention Ctr	16,164,832	16,855,207	16,959,821
1010	321	Circuit Drug Court	115,894	215,141	237,138
1010	330	Tax Equalization Board	5,506	10,500	10,500
1010	333	Recorder of Deeds	2,549,541	2,729,709	2,782,689
1010	334	Election and Registration	2,405,868	3,470,511	2,942,681
1010	335	Medical Examiner	1,941,021	2,031,541	2,137,931
1010	340	Treasurer	662,813	739,891	736,974
1010	510	Director of Streets	1,212,722	1,259,817	1,300,041
1010	511	Traffic and Lighting Division	9,184,461	9,405,515	9,946,983
1010	513	Auto Towing and Storage	1,673,613	1,807,417	1,786,863
1010	514	Street Division	7,137,170	7,858,858	6,960,406
1010	516	Refuse Division	14,725,517	15,700,969	15,235,749
1010	610	Director of Public Safety	628,303	774,551	1,081,127
1010	611	Fire Department	53,002,401	55,119,395	56,899,624
1010	612	Firefighters' Pension Systems	19,951,073	9,142,268	6,933,835
1010	614	Office of Special Events	180,689	182,630	185,270
1010	616	Excise Commissioner	444,165	448,397	452,782
1010	620	Building Commissioner	7,608,185	7,918,157	8,268,788
1010	622	Neighborhood Stabilization	2,716,188	2,715,589	2,706,254
1010	625	CEMA	208,198	166,997	170,414
1010	632	Corrections / MSI	15,325,860	16,507,408	16,311,303

FY16 BUDGET SUMMARY - ALL DEPARTMENTS BY FUND

Fund	Dept. #	Department	FY14 Actual	FY15 Budget	FY16 Budget
1010	633	City Justice Center	21,849,577	22,550,340	22,941,005
1010	650	Police Department	116,697,657	117,164,295	124,432,451
1010	6500001	Police Department- City Marshals	960,487	1,380,565	1,703,569
1010	6500002	Police Department- Park Rangers	-	1,593,017	1,603,984
1010	651	Police Pension Fund	30,565,900	30,257,023	28,463,503
1010	800	Director of Human Services	1,308,809	1,417,941	1,488,571
1010	900	President, Board of Public Service	2,669,409	2,670,714	2,685,568
1010	903	Facilities Management	10,760,394	10,778,451	12,995,053
1010	9030001	Facilities Management- Police Unit	3,072,200	4,029,848	4,105,198
1010	910	Equipment Services Division	9,749,373	9,312,552	10,488,840
1010	9100001	Equipment Services Division- Police Unit	3,146,982	4,397,358	4,523,102
1010	930	Soldier's Memorial Building	119,837	145,298	144,738
		Subtotal	**481,685,713**	**484,386,969**	**492,628,408**
Local Use Tax Fund					
1110	123	Department of Personnel	127,556	98,404	-
1110	143	Affordable Housing Commission	4,001,685	5,595,438	5,083,549
1110	516	Refuse Division - Bulky Pick-up	682,458	700,116	728,493
1110	620	Bldg. Comm. - Housing Conservation	2,071,606	2,209,213	2,190,336
1110	620	Bldg. Comm. - Building Demolition	1,019,450	1,500,000	1,500,000
1110	650	Police Department	9,840,000	9,032,000	9,738,000
1110	700	Director, Health & Hospitals	1,886,385	1,690,445	1,663,910
1110	710	Health Commissioner	312,428	320,037	316,710
1110	711	Communicable Disease Control	1,530,143	1,967,614	2,089,119
1110	714	Animal Care and Control	1,227,989	1,328,297	1,336,151
1110	715	Environmental Health Services	1,272,041	1,606,508	1,589,721
1110	719	Family / Community / School Health	862,521	1,142,759	1,116,370
1110	737	Health Care Trust Fund	5,000,000	5,000,000	5,000,000
1110	800	Director of Human Services	332,966	346,370	353,142
1110	900	President, Board of Public Service	-	-	-
		Subtotal	**30,167,228**	**32,537,201**	**32,705,501**
Convention and Tourism Fund					
1111	160	Convention and Tourism	5,565,000	6,065,000	5,755,000
		Subtotal	**5,565,000**	**6,065,000**	**5,755,000**
Convention and Sports Authority Trust Fund					
1111	331	Convention & Sports Facility Trust	8,450,000	8,700,000	8,500,000
		Subtotal	**8,450,000**	**8,700,000**	**8,500,000**
Demolition Fund					
1113	214	Division of Forestry	28,680	-	-
1113	620	Bldg. Comm. - Bldg. Demolition	939,480	-	-
		Subtotal	**968,160**	**-**	**-**
Assessment Fund					
1115	180	Assessor	4,215,758	4,299,660	4,348,508
		Subtotal	**4,215,758**	**4,299,660**	**4,348,508**

FY16 BUDGET SUMMARY - ALL DEPARTMENTS BY FUND

Fund	Dept. #	Department	FY14 Actual	FY15 Budget	FY16 Budget
Special Revenue Funds					
1116	1200006	Mayor's Office	-	-	144,533
1116	1231000	City Employees Pension Trust Fund	13,500,000	13,500,000	13,500,000
1116	127	Information Tech. Services Agency	-	-	200,000
1116	139	City Counselor	231,174	279,006	283,125
1116	1600019	Comptroller-Gateway Transportation	1,346,398	1,343,704	1,394,912
116	1601001	Comptroller- Big Brothers & Big Sisters	144	-	-
1116	1601002	Comptroller- The BackStoppers Inc.	284	-	-
1116	210	Director PRF - Forest Park Fund	605,220	1,450,000	1,450,000
1116	2100003	Director PRF - Forest Park Maint.	377,760	610,000	610,000
1116	2100006	Director PRF - Lafayette Square Park	-	-	17,845
1116	214	Division of Forestry	222,504	288,163	253,101
1116	220	Division of Parks- Forest Park Maintenance Fund	-	-	126,013
1116	2200011	Division of Parks- Downtown Vending	8,436	7,500	7,500
1116	312	Circuit Attorney (Inspire Me School)	-	-	-
1116	312	Circuit Attorney (Training Fund)	1,789	2,500	2,500
1116	312	Circuit Attorney (Tax Unit)	114,407	169,064	175,876
1116	312	Circuit Attorney (Child Support Unit)	1,734,807	2,225,574	1,856,832
1116	312	Circuit Attorney (HUD Unit)	62,231	74,644	74,454
1116	312	Circuit Attorney (Dept. of Labor)	49,849	61,777	62,427
1116	316	City Court Judicial Education Fund	-	-	-
1116	316	City Court Appointed Counsel Fund	500	-	-
1116	320	Probation Dept. & Juvenile Detention	365,787	408,781	431,604
1116	335	Medical Examiner - Indigent Burials	-	-	4,800
1116	510	Dir. of Streets - Excavation/Restoration	-	-	-
1116	514	Street Div. - Excavation/Restoration	157,175	199,267	201,343
1116	516	Refuse Division	80,755	221,737	227,643
1116	520	Port Administration Division	1,220,616	1,252,000	1,260,000
1116	620	Bldg. Comm. - Code Enforcement	1,501,071	2,164,515	2,046,443
1116	620	Bldg. Comm. - Demolition & Board-Up	1,566,222	1,566,031	1,569,832
1116	650	Police Dept. - Peace Officer Training	82,497	250,000	135,000
1116	6500001	Police Dept. Special Revenue Fund	1,007,069	381,000	-
1116	6500006	Police Dept. Firearms	-	-	384,200
1116	700	Director, Health & Hospitals	204,054	199,000	306,000
1116	714	Animal Care and Control	18,002	60,000	60,000
1116	800	Director of Human Services	52,599	120,000	120,000
1116	8100001	Director of Human Services	-	-	189,500
1116	900	President, Board of Public Service	2,011	691,517	709,765
1116	910	Equipment Services Division- Forest Park	-	-	141,321
1413	160	Tax Increment Financing	511,221	615,704	945,329
1218	160	Trustee Lease Fund	6,969,147	5,021,675	3,874,085
		Subtotal	**31,993,729**	**33,163,159**	**32,765,983**
Communications Fund					
1117	127	Information Tech. Services Agency	-	-	-
1117	401	Communications Division	918,293	915,837	936,425
		Subtotal	**918,293**	**915,837**	**936,425**
Lateral Sewer Fund					
1118	160	Comptroller - Lateral Sewer Line	59,292	60,176	61,213
1118	510	Director of Streets - Lateral Sewer	2,415,185	2,257,110	2,278,068
1118	514	Street Division	233,119	274,519	281,641
		Subtotal	**2,707,596**	**2,591,805**	**2,620,922**
Other Special Revenue Funds - Special Authorizations					
1119	120	Mayor- Open Streets Donations	-	-	-
1119	139	City Counselor	305,564	-	-
1119	210	Director PRF - Forest Park Fund	822	-	-

FY16 BUDGET SUMMARY - ALL DEPARTMENTS BY FUND

Fund	Dept. #	Department	FY14 Actual	FY15 Budget	FY16 Budget
1119	213	Division of Recreation	16,711	-	-
1119	214	Division of Forestry	5,272	-	-
1119	220	Division of Parks	103,037	-	-
1119	225	Soulard Market	6,259		
1119	312	Circuit Att. (Contingency & Tax Fund)	20,067	-	-
1119	315	Sheriff - Auction Proceeds	-	-	-
1119	320	Probation Dept. & Juvenile Detention	28,020	-	-
1119	321	Circuit Drug Court	-	-	-
1119	334	Election and Registration	138,207	-	-
1119	401	Communications Division	64,274	-	-
1119	511	Transportation and Traffic Division	79,594	-	-
1119	520	Port Administration Division	365,527	-	-
1119	611	Fire Department	45,205	-	-
1119	632	Corrections/MSI	47,741	-	-
1119	650	Police Dept. - Police Judgements	1,883,515	-	-
1119	710	Health and Hospitals	5,161	-	-
1119	711	Communicable Disease Control	3,025	-	-
1119	714	Animal Care and Control	5,395	-	-
1119	800	Director of Human Services	322	-	-
1119	930	Soldier's Memorial Building	4,415	-	-
		Subtotal	**3,128,133**	**-**	**-**
Public Safety Fund					
1120	139	City Counselor	512,884	313,601	290,036
1120	312	Circuit Attorney	502,514	525,935	527,036
1120	650	Police - Public Safety Trust Fund	2,100,000	2,535,000	2,181,000
		Subtotal	**3,115,398**	**3,374,536**	**2,998,072**
Riverboat Gaming Fund					
1121	190	City Wide - Riverfront Gaming	4,800,000	2,500,000	4,390,000
1121	611	Fire Dept. - Riverfront Gaming	8,175	25,000	25,000
1121	650	Police Dept. - Riverfront Gaming	3,200,000	2,800,000	2,800,000
		Subtotal	**8,008,175**	**5,325,000**	**7,215,000**
Parks and Recreation Special Fund					
1122	2100010	Dir. of Parks - 1/8 Cent Sales Tax	2,189,599	3,291,032	3,291,522
1122	2100012	Dir. of Parks- Parks and Rec Center	2,079,322	597,158	600,000
1122	2100014	Dir. of Parks - Neighborhood Parks	-	1,210,000	1,210,000
1122	2100020	Dir. of Parks - Neighborhood Parks	1,513,887	1,600,000	1,600,000
1122	2200010	Parks Division - Barnes/City Trust	2,069,762	2,045,073	2,529,139
		Subtotal	**7,852,570**	**8,743,263**	**9,230,661**
Public Safety Sales Tax Fund					
1123	320	Probation Dept. & Juvenile Detention	-	-	-
1123	321	Circuit Drug Court	160,898	-	-
1123	610	Public Safety-Crime Prevention	564,991	1,000,000	1,212,976
1123	6110023	Fire Department	825,000	850,000	1,050,000
1123	6120023	Fire - Public Safety Pension Trust	5,498,918	5,500,000	5,500,000
1123	6500023	Police Department	2,028,480	2,473,450	2,917,000
1123	6500123	Police Department	2,306,520	2,326,550	3,033,000
1123	6510023	Police - Public Safety Pension Trust	5,499,976	5,500,000	5,500,000
		Subtotal	**16,884,783**	**17,650,000**	**19,212,976**
Grant Funds					
1140	650	Police Department - Misc. Grants	6,600,066	8,388,984	7,042,606
		Subtotal	**6,600,066**	**8,388,984**	**7,042,606**
1142	650	Police Department - Asset Forfeiture	-	3,159,114	1,135,820
		Subtotal	**-**	**3,159,114**	**1,135,820**

FY16 BUDGET SUMMARY - ALL DEPARTMENTS BY FUND

Fund	Dept. #	Department	FY14 Actual	FY15 Budget	FY16 Budget
1162	121	SLATE	5,568,396	3,955,645	4,042,011
1162	160	Comptroller	36,045	29,560	-
		Subtotal	**5,604,441**	**3,985,205**	**4,042,011**
1163	141	Planning and Urban Design	-	-	-
1163	142	Comm. Development Administration	(2,085)	-	-
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	-	-	-
1163	900	President, Board of Public Service	-	-	-
		Subtotal	**(2,085)**	**-**	**-**
1164	141	Planning and Urban Design	2,200	-	-
1164	142	Comm. Development Administration	1,101,841	421,134	484,772
1164	620	Bldg. Commissioner	678,588	212,912	535,324
1164	700	Director, Health & Hospitals	-	-	-
1164	716	Lead Poisoning Control	154,219	-	-
1164	719	Family / Community / School Health	-	-	-
1164	900	President, Board of Public Service	-	-	-
		Subtotal	**1,936,848**	**634,046**	**1,020,096**
1165	139	City Counselor	417,388	720,620	740,593
1165	141	Planning and Urban Design	1,217,836	980,617	962,721
1165	142	Comm. Development Administration	1,820,568	2,137,770	2,225,708
1165	160	Comptroller	29,163	31,839	34,576
1165	213	Division of Recreation	350,768	318,037	303,448
1165	215	Operation Brightside	310,335	304,871	300,091
1165	316	City Courts - Problem Properties	14,169	-	-
1165	320	Probation Dept. & Juvenile Detention Center	87,150	-	-
1165	5146200	Street Division- Neighborhood Street Improv.	-	-	-
1165	620	Building Commissioner	197,554	266,304	264,176
1165	622	Neighborhood Stabilization - Grant	11,913	11,339	11,425
1165	800	Director of Human Services	331,363	416,000	416,000
1165	900	President, Board of Public Service	73,276	-	-
		Subtotal	**4,861,483**	**5,187,397**	**5,258,738**
1166	160	Comptroller - Health Grant Auditing	-	68,712	89,267
1166	700	Director, Health & Hospitals	964,185	1,020,641	1,039,117
1166	710	Health Commissioner	-	-	-
1166	711	Communicable Disease Control	8,272,265	12,368,237	12,323,448
1166	714	Animal Care and Control	-	50,000	50,000
1166	715	Environmental Health Services	23,639	198,257	200,090
1166	716	Lead Poisoning Control	-	-	-
1166	719	Family / Community / School Health	229,335	327,600	327,142
		Subtotal	**9,489,424**	**14,033,447**	**14,029,064**
1167	160	Comptroller	-	-	-
1167	632	Corrections/MSI	-	-	-
1167	800	Director of Human Services	12,879,738	21,020,936	21,976,286
		Subtotal	**12,879,738**	**21,020,936**	**21,976,286**
1168	1260800	CREA - EEOC Contract	24,360	50,864	49,846
1168	1260900	CREA-HUD Contract	199,113	182,324	199,081
1168	139	City Counselor	-	-	-
1168	160	Comptroller	37,016	-	-
1168	210	Director of Parks	-	-	-
1168	214	Division of Forestry	25,000	-	-
1168	220	Division of Parks	-	-	-

FY16 BUDGET SUMMARY - ALL DEPARTMENTS BY FUND

Fund	Dept. #	Department		FY14 Actual	FY15 Budget	FY16 Budget
1168	312	Circuit Att. - Domestic Violence		505,802	531,128	609,638
1168	315	Sheriff		249,559	568,921	281,447
1168	320	Probation Dept. & Juvenile Det. Cntr.		783,169	-	-
1168	321	Circuit Drug Court		100,000	-	-
1168	334	Election and Registration		91,119	-	-
1168	335	Medical Examiner		-	50,000	25,000
1168	516	Refuse Division - Recycling		49,385	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		718,633	-	-
			Subtotal	**2,783,156**	**1,693,237**	**1,475,012**
1169	139	City Counselor		-	68,035	69,152
1169	220	Division of Parks		-	-	-
1169	312	Circuit Att. (LLEBG/JAG/PSN)		-	357,372	505,237
1169	316	City Courts - Community Courts		-	-	-
1169	320	Probation Dept. & Juvenile Det. Cntr.		26,392	27,989	28,022
1169	321	Circuit Drug Court		-	-	-
1169	335	Medical Examiner		-	-	-
1169	610	Director of Public Safety		-	291,000	790,000
1169	611	Fire Department- SAFER Grant		1,367,804	1,473,681	1,096,070
1169	622	Neighborhood Stabilization - Grants		1,003,524	130,185	132,349
1169	625	City Emergency Management Agency		85,337	178,587	181,992
			Subtotal	**2,483,057**	**2,526,849**	**2,802,822**
			Subtotal	**46,636,128**	**60,629,215**	**58,782,455**
Capital Funds						
1217	160	Capital Improv. - Regular Sources		17,094,400	16,498,725	17,377,517
1219	160	Metro Parks - Sales Tax		1,607,999	4,075,000	5,093,600
1220	160	Capital Improv. - Sales Tax		17,160,842	18,130,330	21,367,630
			Subtotal	**35,863,241**	**38,704,055**	**43,838,747**
Debt Service Fund						
1311	160	G.O. Debt Service (Public Safety)		8,683,278	6,856,307	4,823,937
			Subtotal	**8,683,278**	**6,856,307**	**4,823,937**
Enterprise Funds						
1510	415	Water Division		51,932,600	57,807,576	56,568,867
1511	420	City of St. Louis Airport Comm.		161,883,169	171,690,448	168,923,826
			Subtotal	**213,815,769**	**229,498,024**	**225,492,693**
Internal Service Funds						
1611	172	Mail Room		545,104	897,908	864,941
1612	910	Fuel Services Fund		4,395,040	7,398,195	5,689,950
1613	123	Personnel - Employee Benefits		8,474,310	8,819,254	9,827,855
1713	123	Personnel - Employee Benefits		33,239,803	45,356,720	48,411,056
1719	123	Personnel		-	-	-
1719	123	City Counselor		-	-	-
			Subtotal	**46,654,257**	**62,472,077**	**64,793,802**
		Grand Total All Funds		**$957,313,209**	**$1,005,912,108**	**$1,016,649,090**

FY16 BUDGET SOURCES AND USES OF FUNDS SUMMARY (in millions)

Sources and Uses	1010 General Fund	1110 Local Use Tax Fund	Tourism Fund	Convention & Sports Facility Trust Fund	Assessment 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**	**$8.553**	**$0.000**	**$0.007**	**$0.200**	**$1.641**	**$0.214**	**$1.864**	**($0.098)**	**$0.250**	**$1.201**	**$1.731**	**n/a**
Revenues													
Earnings Tax	164.295	-	-	-	-	-	-	-	-	-	-	-	
Property Tax	58.258	-	-	-	2.125	-	-	-	-	-	-	-	
Sales & Use Taxes	52.241	30.600	-	-	-	-	-	-	-	-	4.711	18.914	
Motor Vehicle Sales Tax	3.130	-	-	-	-	-	-	-	-	-	-	-	-
Gasoline Tax	8.550	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Tax	38.182	-	-	-	-	-	-	-	-	-	-	-	-
Franchise (Utilities) Taxes	53.800	-	-	-	-	-	3.624	2.640	-	-	-	-	-
Restaurant Taxes	3.081	-	5.759	-	-	-	-	-	-	-	-	-	-
3.5% Hotel Sales Tax	-	-	-	8.494	-	-	-	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
License Fees	15.560	-	-	-	-	-	-	-	3.063	-	-	-	-
Grants / Intergovernmental	13.363	-	-	-	0.420	-	-	-	-	7.050	-	-	8.178
User Fees, Fines & Other	49.905	-	-	-	0.060	27.646	-	-	-	-	-	-	-
Transfers In	32.273	-	-	-	1.550	0.500	-	-	-	-	1.600	-	-
Other Resources	0.000	0.050	-	-	-	-	-	-	-	-	2.000	-	-
Total Sources of Funds	**$492.638**	**$30.650**	**$5.759**	**$8.494**	**$4.155**	**$28.146**	**$3.624**	**$2.640**	**$3.063**	**$7.050**	**$8.311**	**$18.914**	**$8.178**
Appropriations													
Personal Services	361.919	19.358	-	-	3.786	6.807	0.858	0.710	2.989	2.800	2.492	9.325	6.155
Materials & Supplies	14.845	0.300	-	-	0.031	0.790	0.030	0.055	0.009	0.010	0.184	0.000	0.135
Rental & Non Capital Leases	2.403	0.180	-	-	0.005	0.043	0.002	0.052	0.000	0.000	0.005	0.000	-
Non Capital Equipment	0.620	0.019	-	-	0.000	0.019	0.004	0.000	0.000	0.010	0.000	0.000	0.086
Capital Assets	2.117	0.000	-	-	0.000	0.143	0.000	0.000	0.000	0.000	0.300	0.000	0.392
Contractual & Other Services	70.509	12.346	0.165	-	0.526	18.164	0.044	1.804	0.000	0.005	2.958	1.158	1.411
Debt Service	26.995	0.001	-	-	-	1.980	-	-	-	-	3.291	8.730	-
Transfers Out :													
Capital Lease Payments	10.071	-	-	-	-	-	-	-	-	-	-	-	-
Other Transfers Out	3.150	0.500	5.590	8.500	-	0.200	2.900	-	-	4.390	-	-	-
Total Uses of Funds	**$492.628**	**$32.705**	**$5.755**	**$8.500**	**$4.348**	**$28.146**	**$3.836**	**$2.621**	**$2.998**	**$7.215**	**$9.230**	**$19.213**	**$8.178**
Ending Fund Balance	**$12.909**	**$6.498**	**$0.004**	**$0.001**	**$0.007**	**$1.641**	**$0.002**	**$1.883**	**($0.033)**	**$0.085**	**$0.282**	**$1.432**	**$0.000**

FY16 BUDGET SOURCES AND USES OF FUNDS SUMMARY (in millions)

Sources and Uses	SLATE	1164-65 CDA*	1166-9 Grant Funds	Street Improve-ment Fund*	1217-20 Capital Improve-ments 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**	**$1.569**	**$2.560**	**$6.705**	**$0.000**	**$10.996**	**$117.794**	**$0.072**	**$0.000**	**$2.693**
Revenues												
Property Tax	-	-	-	-	-	4.824	-	-	-	-	-	-
Sales & Use Taxes	-	-	-	-	23.370	-	-	-	-	-	-	-
Motor Vehicle Sales Tax	-	-	-	0.750	-	-	-	-	-	-	-	-
Gasoline Tax	-	-	-	-	0.630	-	-	-	-	-	-	-
Franchise (Utility) Taxes	-	-	-	4.750	-	-	-	3.595	-	-	-	-
Other Taxes	-	-	-	-	-	-	0.945	-	-	-	-	-
License Fees	-	-	-	-	-	-	-	-	-	-	-	-
Enterprise Revenues	-	-	-	-	-	-	-	53.552	185.950	-	-	-
Grants / Intergovernmental	4.042	6.279	40.283	-	-	-	-	-	-	-	-	-
User Fees, Fines & Other	-	-	-	-	1.500	-	-	-	-	0.865	5.690	58.239
Transfers In	-	-	-	-	15.280	-	-	-	-	-	-	-
Other Resources	-	-	-	-	0.500	-	-	-	-	-	-	-
Total Sources of Funds	**$4.042**	**$6.279**	**$40.283**	**$5.500**	**$41.280**	**$4.824**	**$0.945**	**$57.147**	**$185.950**	**$0.865**	**$5.690**	**$58.239**
			$40.416									
Appropriations												
Personal Services	3.318	5.023	7.645	2.085	1.300	-	0.820	23.397	40.272	0.363	-	0.467
Materials & Supplies	0.075	0.059	0.367	1.760	-	-	0.050	11.083	6.658	0.014	5.602	0.076
Rental & Non Capital Leases	0.210	0.229	0.009	0.029	-	-	-	0.327	0.088	0.008	-	0.010
Non Capital Equipment	0.000	0.012	0.119	0.008	-	-	0.050	0.138	0.157	-	0.012	0.030
Capital Assets	0.000	0.007	0.007	0.150	-	-	0.000	2.544	1.069	0.000	0.005	0.000
Contractual & Other Services	0.439	0.949	32.138	1.468	17.328	-	0.025	18.482	44.998	0.480	0.071	57.656
Debt Service	-	0.000	-	-	25.211	4.824	0.000	0.598	75.681	-	-	-
Transfers Out :												
Capital Lease Payments	-	-	-	-	-	-	-	-	-	-	-	-
Other Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
Total Uses of Funds	**$4.042**	**$6.279**	**$40.283**	**$5.500**	**$43.839**	**$4.824**	**$0.945**	**$56.568**	**$168.923**	**$0.865**	**$5.690**	**$58.239**
Ending Fund Balance	**$0.000**	**$0.000**	**$0.000**	**$1.570**	**$0.001**	**$6.705**	**$0.000**	**$11.575**	**$134.821**	**$0.072**	**$0.000**	**$2.693**

* 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 reaappropriation.

CITY OF ST. LOUIS
GENERAL FUND REVENUE ESTIMATE

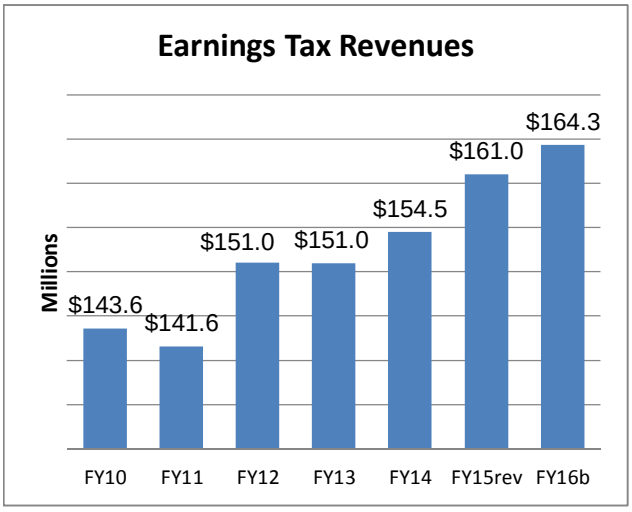
Revenue Category	Actual Receipts FY14	Revised Estimate FY15	Projected Receipts FY16	Percent Change
Earnings Tax	154,536,949	161,000,000	164,295,000	2.0%
Sales Taxes	49,606,305	53,616,000	52,241,000	-2.6%
Property Tax	56,414,006	57,371,723	58,258,000	1.5%
Payroll Expense Tax	35,553,296	37,600,000	38,182,000	1.5%
Franchise / Utility Taxes:				
Electricity	32,240,360	31,700,000	32,825,000	3.5%
Natural Gas	8,415,986	8,486,000	8,711,000	2.7%
Water	5,098,052	5,215,000	5,215,000	0.0%
Airport	6,264,366	6,350,000	6,400,000	0.8%
All Other franchise fees	998,148	633,000	649,000	2.5%
Subtotal	53,016,912	52,384,000	53,800,000	2.7%
Intergovernmental Revenues:				
Gasoline Tax	8,084,889	8,424,000	8,550,000	1.5%
Health Care Payments	4,927,778	6,586,000	5,980,000	-9.2%
Prisoner Housing Reimbursement	5,022,479	5,142,000	5,100,000	-0.8%
Juvenile Detention Reimbursements	2,050,586	2,012,000	2,016,000	0.2%
Motor Vehicle Sales Tax	2,838,298	3,083,000	3,130,000	1.5%
Intangible Tax	510,459	127,500	275,000	115.7%
Subtotal	23,434,489	25,374,500	25,051,000	-1.3%
Licenses:				
Graduated Business License	6,855,300	7,000,000	7,050,000	0.7%
Cigarette Occupational License	1,751,070	1,778,000	1,770,000	-0.4%
Sports and Amusement	2,235,861	1,853,000	1,850,000	-0.2%
Automobile	1,404,156	1,423,000	1,423,000	0.0%
Parking Garages and Lots	2,687,230	3,020,000	3,081,000	2.0%
Other Licenses	802,517	400,550	386,550	-3.5%
Subtotal	15,736,134	15,474,550	15,560,550	0.6%
Departmental Revenues:				
Fines and Forfeits	9,412,155	4,579,800	4,383,800	-4.3%
Building and Occupancy Permits	7,972,323	8,908,070	9,234,400	3.7%
Departmental User Fees & Other	37,314,672	36,397,100	36,906,950	1.4%
Subtotal	54,699,150	49,884,970	50,525,150	1.3%

CITY OF ST. LOUIS
GENERAL FUND REVENUE ESTIMATE

Revenue Category	Actual Receipts FY14	Revised Estimate FY15	Projected Receipts FY16	Percent Change
Convention and Tourism Taxes:				
Hotel / Motel Gross Receipts [1]	8,450,000	8,960,000	8,500,000	-5.1%
Restaurant Gross Receipts - 1 cent [1]	5,400,000	5,775,000	5,590,000	-3.2%
Restaurant Gross Receipts - 1/2 cent	2,886,009	3,020,000	3,080,000	2.0%
Subtotal	16,736,009	17,755,000	17,170,000	-3.3%
All other revenues and transfers	3,568,293	3,740,000	4,255,000	13.8%
Employee Pension Trust transfer	13,345,414	13,200,000	13,300,000	0.8%
Subtotal	16,913,707	16,940,000	17,555,000	3.6%
TOTAL GENERAL FUND REVENUES	**$476,646,957**	**$487,400,743**	**$492,637,700**	**1.1%**

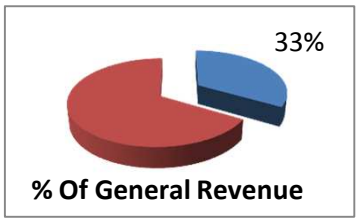
[1] Transfers from convention and sports facility trust fund and convention and tourism fund respectively

EARNINGS TAX



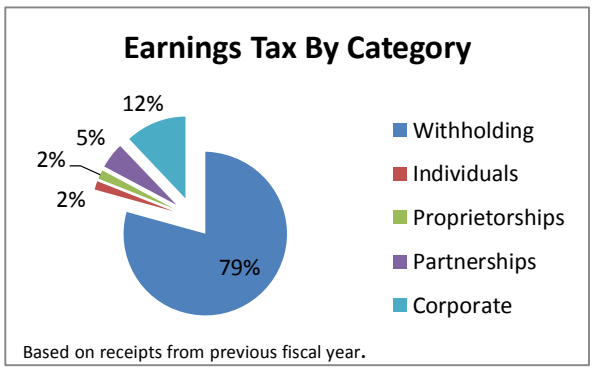
Definition

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.

Historical Growth Rates	
1 Year	2.3%
3 Year	3.0%
5 Year	2.2%
10 Year	2.5%
FY15 (rev. est.)	4.2%
FY16 (budget)	2.0%



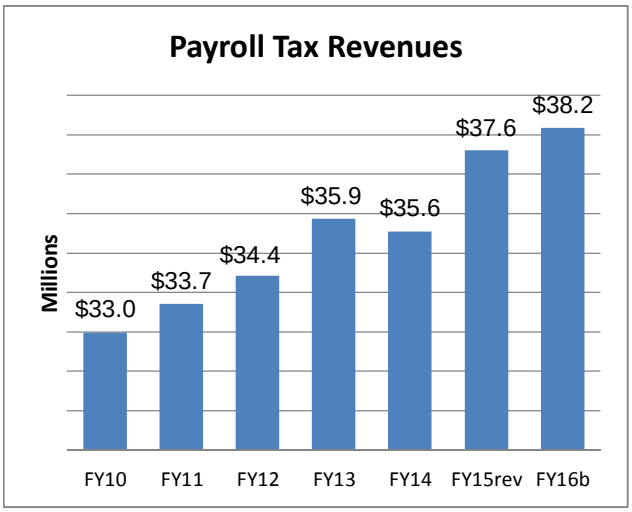
Discussion

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. A second retention vote is anticipated in the Spring of 2016.

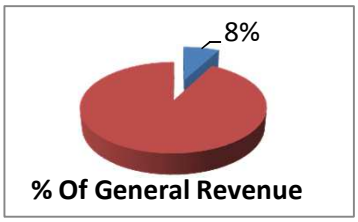
Earnings tax receipts in FY15 have risen 5.1% through the third quarter of the fiscal year. While year to date corporate receipts are up 6.6%, most corporate returns are received in the fourth quarter and thus can be subject to some variability. Individual withholdings are up a bit more modest 4.4%. FY15 results do include some payments that are not anticipated to recur in FY16. The estimate for FY16 assumes growth of 2.0% which brings estimates in line with the growth trend in recent 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.



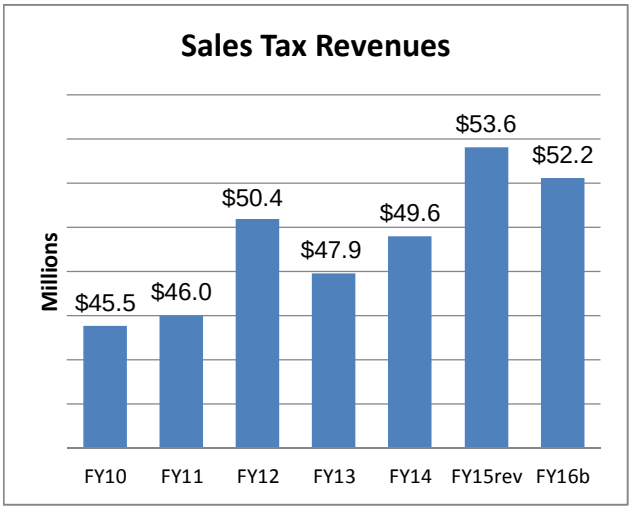
Not-for-profit charitable or civic organizations are exempt from the payroll expense tax.

Historical Growth Rates	
1 Year	-0.9%
3 Year	1.8%
5 Year	0.0%
10 Year	1.2%
FY15 (rev. est.)	5.8%
FY16 (budget)	1.5%

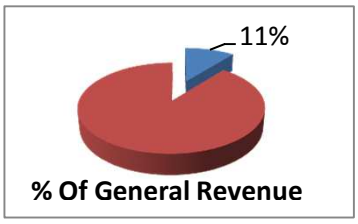
Discussion

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 FY15, payroll tax receipts have risen 5.8% through the third quarter of the fiscal year. Given the slight decline in the previous fiscal year, FY15's year to date results would mark a return to a normal growth trend and to pre-recession highs. The 1.5% growth estimate for FY16 is slightly less than the three year trend following a year of out-performing results.

SALES TAX



Definition

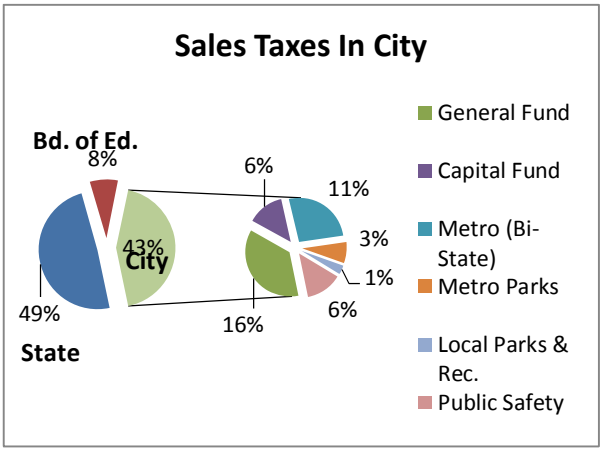


Definition

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.

Historical Growth Rates	
1 Year	3.5%
3 Year	2.5%
5 Year	0.7%
10 Year	1.0%
FY15 (rev. est.)	8.1%
FY16 (budget)	-2.6%



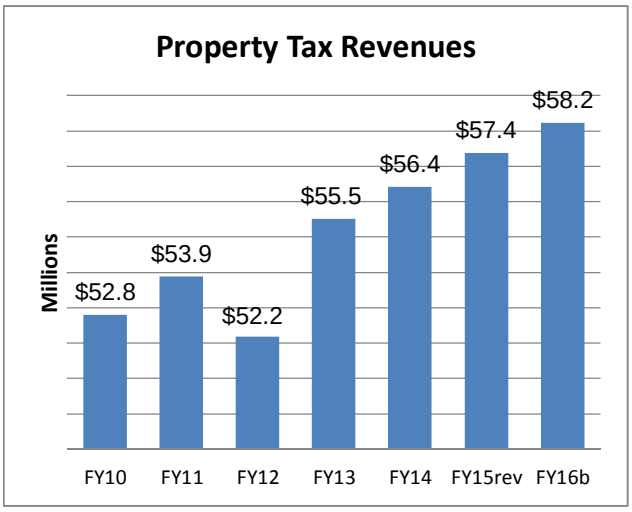
Discussion

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 has in years past been the most sensitive to changes in economic conditions. The City does, however, benefit from its role as the region's cultural and entertainment hub, where sporting events, conventions, etc. can have a positive impact on receipts, serving both as a boost during growth periods and a buffer of sorts during downturns. While long term growth remains modest, recent years' receipts have seen improvements and FY15 receipts are expected to be up over 8%. Sales tax data indicates growth across all industry sectors.

Recent history suggests that out performance in one year (e.g. FY12) can be followed by decline in the next. The FY16 estimate assumes a decline of 2.6 % which would bring results in line with the 3 year trend.

Sales Tax Rates:	City	Addl. Rates	
General Fund	1.375%	State	4.225%
Capital Fund	0.500%	Bd. Of Education	0.666%
Metro (Bi-State)	1.000%	Subtotal Addl.	4.891%
Metro Parks	0.288%		
Local Parks & Rec.	0.125%	**Total Tax Rate in City ***	**8.679%**
Public Safety	0.500%		
Subtotal City	3.788%	* excluding special taxing districts	

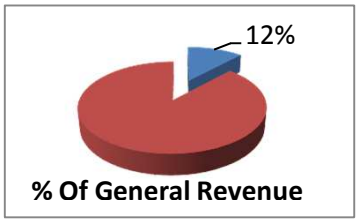
REAL AND PERSONAL PROPERTY TAXES



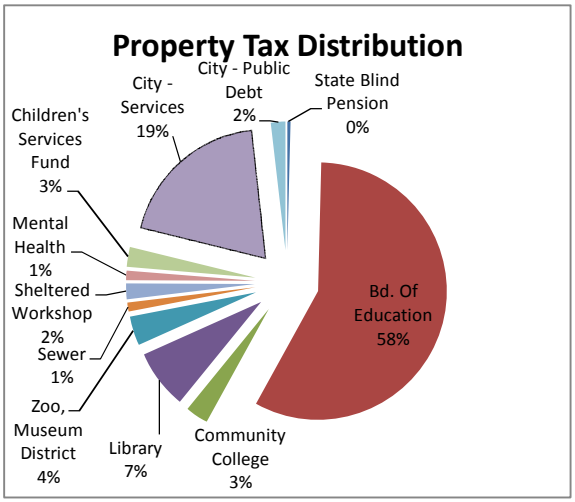
Definition

Definition

A tax levied on the assessed value of all real and personal property. The current tax rate is $7.585 per $100 assessed value.



Historical Growth Rates	
1 Year	1.6%
3 Year	1.5%
5 Year	2.0%
10 Year	2.7%
FY15 (rev. est.)	1.7%
FY16 (budget)	1.5%



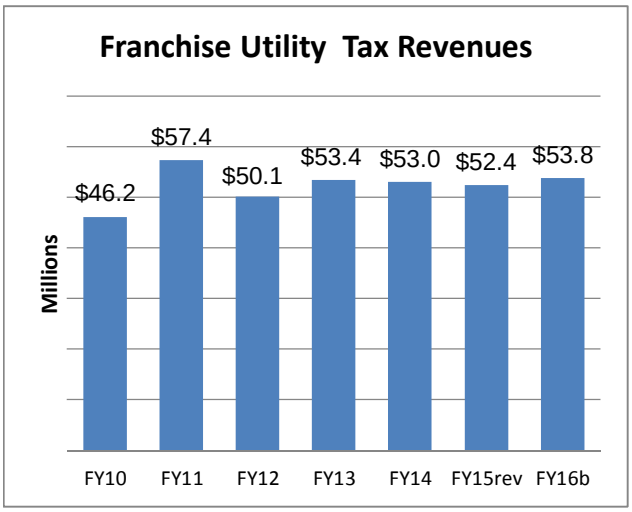
Discussion

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

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. FY15 receipts are projected to finish the year up by 1.7% with real property up less than 1% and personal property rising 7%. FY16 estimates assume normal growth of 1.5% overall.

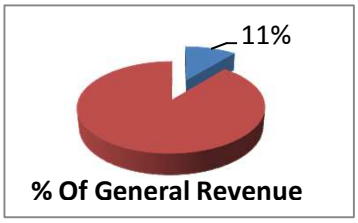
Property Tax Rate In City:	
State Blind Pension	$0.0300
Bd. Of Education	4.3711
Community College	0.2200
Library	0.5600
Zoo, Museum, Garden District	0.2797
Sewer District	0.0879
Sheltered Workshop	0.1500
Community Mental Health	0.0900
Community Children's Services Fund	0.1900
City - General Purposes	1.4733
City - Public Debt	0.1330
Total Rate	**$7.5850**

FRANCHISE UTILITY TAX

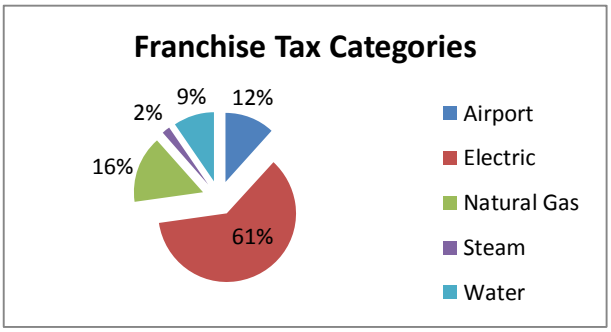


Definition

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.



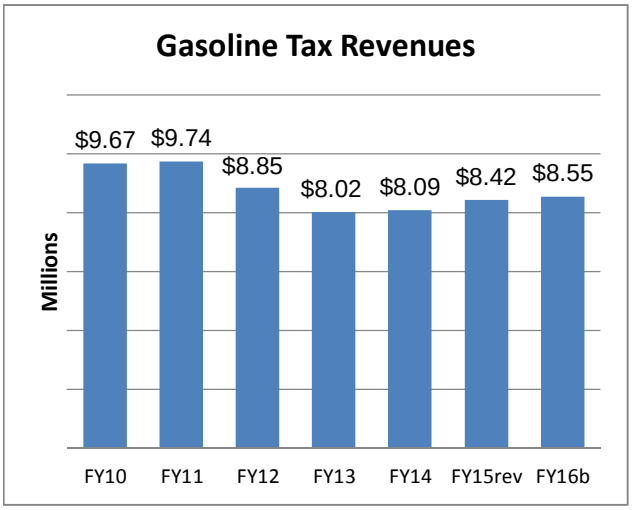
Historical Growth Rates	
1 Year	-0.7%
3 Year	-2.6%
5 Year	-2.9%
10 Year	0.1%
FY15 (rev. est.)	-1.2%
FY16 (budget)	2.7%



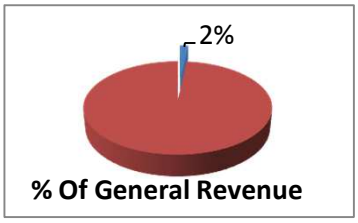
Discussion

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. The jump in utility tax receipts in FY11, reflected a release of previously protested payments from a settlement agreement with telecommunication companies. Otherwise, most fluctuations in utility tax receipts can be attributed to either weather conditions, (e.g. mild or severe season) or changes in electric or natural gas rates. In FY15, electric utility receipts had declined 2.0% through the third quarter while natural gas receipts were up 1.6%. Anticipating a rise in electric rates this year and normal weather conditions, electric utility tax receipts are estimated to increase 3.5% in FY16. Natural gas receipts are estimated at a more modest 2.5%. Receipts from Airport and Water operations however are anticipated to be flat, bringing the estimated increase in the Franchise tax category to 2.7%.

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.

Historical Growth Rates	
1 Year	0.8%
3 Year	-6.0%
5 Year	-3.4%
10 Year	-2.2%
FY15 (rev. est.)	4.2%
FY16 (budget)	1.5%

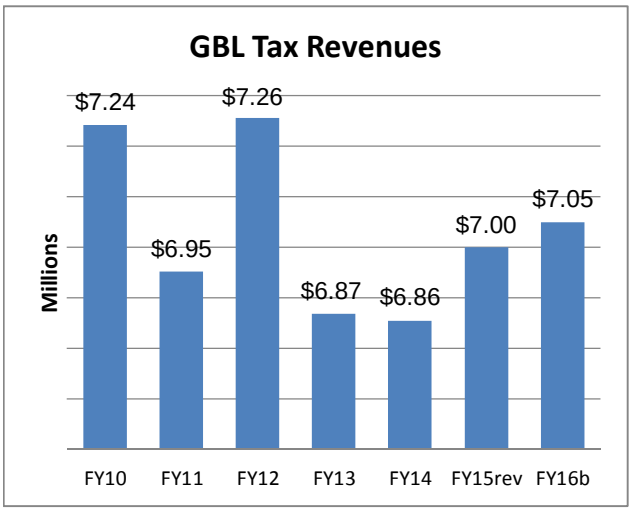
Discussion

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.

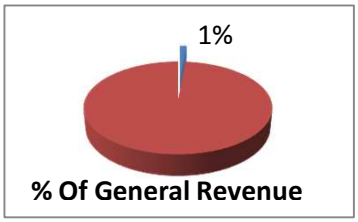
Amounts depicted in the chart above represent the City's allocation based on its status as a city and are deposited to the general fund to offset the cost of maintaining streets and highways. An additional $0.6 million is received based on the City's status as a county and is deposited to the capital 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. With a recent decline in gas prices, gas tax receipts had risen 4.2% through the fiscal third quarter. Growth is expected to moderate at 1.5% in FY16.

GRADUATED BUSINESS LICENSE TAX

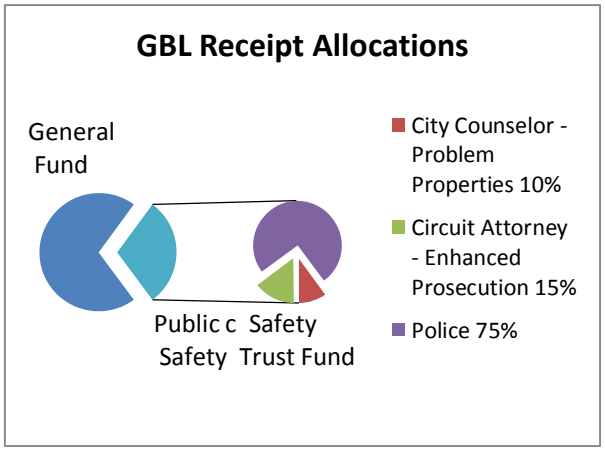


Definition



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)

Historical Growth Rates	
1 Year	-0.2%
3 Year	-0.5%
5 Year	-1.3%
10 Year	-1.0%
FY15 (rev. est.)	2.1%
FY16 (budget)	0.7%



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 depressed 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 a hint of a return to growth. The estimate for FY16 at $7.05M remains below pre-recession totals. The license fee schedule, including the increase approved by voters in 2006 and allocated to the Public Safety Trust Fund is as follows:

No. of Employees	GBL Tax	No. of Employees	GBL Tax
501 or more	$37,500	41-50	$4,500
401-500	$34,500	31-40	$3,000
301-400	$30,000	21-30	$2,250
201-300	$25,500	11-20	$1,500
151-200	$20,250	6-10	$675
101-150	$15,000	3-5	$325
76-100	$11,250	2 or fewer	$200
51-75	$7,500		

CITY OF ST. LOUIS
SPECIAL AND OTHER FUNDS REVENUE ESTIMATE

Revenue Category	Actual Receipts FY14	Projected Receipts FY15	Projected Receipts FY16	Percent Change
SPECIAL AND OTHER FUND REVENUES:				
Local Use Tax Fund				
Local Use Tax	31,367,175	30,600,000	30,600,000	0.0%
Interest & Misc.	44,775	50,150	50,150	0.0%
	31,411,950	30,650,150	30,650,150	0.0%
Convention and Tourism Fund				
Restaurant Gross Receipts Tax (1%)	5,652,363	5,900,000	6,018,000	2.0%
License Commission	-243,202	-254,000	-259,000	2.0%
	5,409,161	5,646,000	5,759,000	2.0%
Convention and Sports Facility Fund				
Hotel and Motel Sales Tax (3.5%)	8,280,957	8,600,000	8,772,000	2.0%
License Commission	-262,868	-273,000	-278,000	1.8%
	8,018,089	8,327,000	8,494,000	2.0%
Assessment Fund				
Real Estate Tax	2,053,054	2,125,000	2,125,000	0.0%
State Reimbursements	419,892	420,000	420,000	0.0%
Other	90,792	91,000	95,000	4.4%
General Fund Subsidy	1,650,000	1,450,000	1,550,000	6.9%
	4,213,738	4,086,000	4,190,000	2.5%
Miscellaneous Special Funds (1116)				
City Employee Pension Trust Fund	13,344,345	13,200,000	13,300,000	0.8%
Gateway Transportation Fund	1,480,590	1,462,000	1,465,000	0.2%
Forest Park Funds	2,245,362	2,277,500	2,325,500	2.1%
Downtown Vending Parks Fund	6,000	10,000	10,000	0.0%
Circuit Attorney - Misc. Special Funds	252,089	236,200	246,200	4.2%
Circuit Attorney - Child Support Unit	1,652,995	1,650,000	1,865,000	13.0%
Street Excavation Fund	154,864	132,000	150,000	13.6%
Metro Trash Service Fund	100,000	100,000	100,000	0.0%
Port Authority (incl. gaming lease)	1,064,613	1,252,000	1,260,000	0.6%
Building Commissioner - Lead Remediation	2,417,595	2,432,150	2,440,150	0.3%
Building Commisioner - Bldg. Demolition	1,554,856	1,751,000	1,661,000	-5.1%
Police Officer Training Fund	81,933	73,000	83,000	13.7%
Health Division - Other Special Revenue	40,896	30,000	33,000	10.0%
Equitable Relief from Utility Tax	239,404	269,000	269,000	0.0%
Battered Persons / Domestic Viol. Funds	105,289	85,000	85,000	0.0%
Other Special Revenue Funds	1,606,041	1,760,000	2,150,000	22.2%
	26,346,872	26,719,850	27,442,850	2.7%

CITY OF ST. LOUIS
SPECIAL AND OTHER FUNDS REVENUE ESTIMATE

Revenue Category	Actual Receipts FY14	Projected Receipts FY15	Projected Receipts FY16	Percent Change
Communications Fund				
Cable Television Gross Receipts Tax	3,010,982	3,570,000	3,624,000	1.5%
	3,010,982	3,570,000	3,624,000	1.5%
Lateral Sewer Fund				
Tax receipts and interest	2,570,510	2,600,000	2,600,000	0.0%
Interest	974	500	500	0.0%
Surplus Commissions	39,520	39,500	39,500	0.0%
	2,611,004	2,640,000	2,640,000	0.0%
Public Safety Trust Fund				
Graduated Business License Tax	2,904,990	3,063,000	3,063,000	0.0%
	2,904,990	3,063,000	3,063,000	0.0%
Riverfront Gaming Revenues (excl. port lease)				
Adjusted Gross Receipts Tax (2.1%)	3,038,478	3,000,000	2,850,000	-5.0%
Admissions Tax ($1)	4,585,410	4,400,000	4,200,000	-4.5%
Interest / Misc.	0	0	0	
	7,623,888	7,400,000	7,050,000	-4.7%
Local Parks Funds				
1/8 Cent Sales Tax	4,473,310	4,835,000	4,711,111	-2.6%
Neighborhood Parks Fund (Gen Fund Trnsfr)	1,600,000	1,600,000	1,600,000	0.0%
BJC / City Trust Fund	2,000,177	2,000,150	2,000,150	0.0%
	8,073,487	8,435,150	8,311,261	-1.5%
Public Safety Sales Tax Fund				
1/2 Cent Public Safety Sales Tax	17,960,395	19,412,000	18,914,000	-2.6%
	17,960,395	19,412,000	18,914,000	-2.6%

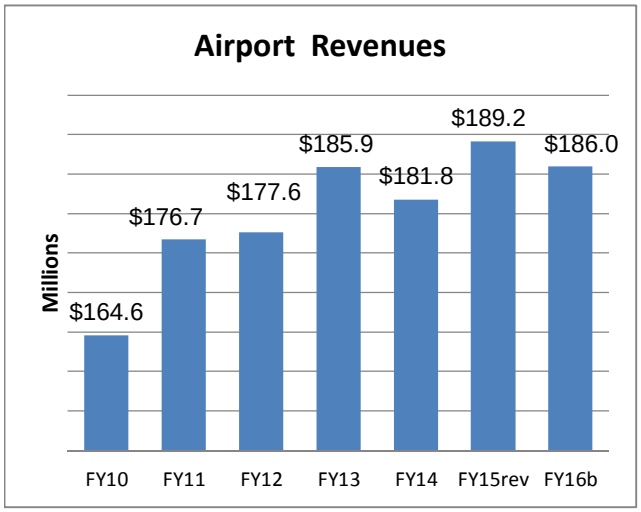
CITY OF ST. LOUIS
SPECIAL AND OTHER FUNDS REVENUE ESTIMATE

Revenue Category	Actual Receipts FY14	Projected Receipts FY15	Projected Receipts FY16	Percent Change
Government Grant Fund Revenues				
St. Louis Agency on Training & Employment	6,739,535	4,080,000	4,042,000	-0.9%
Police Department Grants	7,232,313	8,389,000	7,048,000	-16.0%
Community Dev. - (excl. separate. approp)	6,796,246	5,821,000	6,279,000	7.9%
Police Asset Forfeiture	0	3,159,114	1,135,820	-64.0%
Other Government Grants	27,635,375	39,274,000	40,283,000	2.6%
	48,403,469	60,723,114	58,787,820	-3.2%
Capital Improvements Funds				
1/2 Cent Sales Tax	18,032,061	19,500,000	19,000,000	-2.6%
Metro Parks Sales Tax - 1/10	1,651,534	1,794,000	1,748,000	-2.6%
Metro Parks Sales Tax - 3/16	1,428,589	2,691,000	2,622,000	-2.6%
Gasoline Tax	630,000	630,000	630,000	0.0%
Previous Year Surplus / (Deficits)	2,153,744	2,709,000	2,560,600	-5.5%
Release from Debt Service Funds	0	0	652,000	
Income From Sale Of City Assets & Other	257,620	500,000	500,000	0.0%
Transfers from General and Other Funds	14,397,863	10,171,725	14,461,000	42.2%
Courthouse Restoration Funds	1,298,511	1,230,000	1,500,000	22.0%
CVC Reimbursements	217,000	167,000	167,000	0.0%
	40,066,922	39,392,725	43,840,600	11.3%
Debt Service Fund				
Property Taxes	6,815,706	6,856,307	4,823,937	-29.6%
Fund Balance	1,867,572	0	0	
	8,683,278	6,856,307	4,823,937	-29.6%
Tax Increment Financing	511,221	615,704	954,239	55.0%
Trustee Lease Fund - Interest & DSR Earnings	6,969,147	5,021,675	3,874,085	-22.9%
Mail Services Internal Service Fund	568,435	618,000	614,000	-0.6%
Equipment Services Fuel Internal Services Fund	4,009,464	6,255,000	5,700,000	-8.9%
Employee Benefits Funds	42,472,386	54,176,000	58,239,000	7.5%
	42,472,386	54,176,000	58,239,000	7.5%
Subtotal Special and Other Fund Revenues	**269,268,878**	**293,607,675**	**296,971,942**	**1.1%**

CITY OF ST. LOUIS
SPECIAL AND OTHER FUNDS REVENUE ESTIMATE

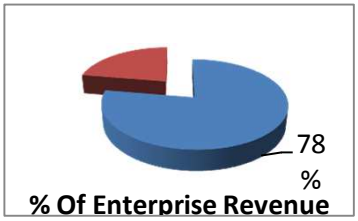
Revenue Category	Actual Receipts FY14	Projected Receipts FY15	Projected Receipts FY16	Percent Change
ENTERPRISE FUND REVENUES:				
Water Division				
Net Sales of Water	51,760,151	50,960,000	50,925,000	-0.1%
All Other Income	3,419,407	2,711,100	2,627,100	-3.1%
	55,179,558	53,671,100	53,552,100	-0.2%
Lambert St. Louis Airport				
Landing Fees	67,091,127	70,000,000	67,000,000	-4.3%
Rents	28,911,101	30,000,000	29,000,000	-3.3%
Utilities and Charges	922,867	850,000	900,000	5.9%
Concessions	25,504,895	26,000,000	25,700,000	-1.2%
Rate Mitigation Proceeds	13,727,769	13,728,000	13,728,000	0.0%
Interest	1,700,000	2,000,000	2,000,000	0.0%
Parking and Miscellaneous	18,616,000	19,000,000	19,300,000	1.6%
Pledged PFC Revenues	25,319,318	27,578,000	28,332,500	2.7%
	181,793,077	189,156,000	185,960,500	-1.7%
Subtotal Enterprise Funds	**236,972,635**	**242,827,100**	**239,512,600**	**-1.4%**
Total Special and Enterprise Revenues	**$506,241,513**	**$536,434,775**	**$536,484,542**	**0.0%**
Revenues Appropriated Separately:				
Street Improvement Fund				
Motor Vehicle Sales Tax	767,098	690,000	690,000	0.0%
Franchise (Utility) Taxes	4,537,724	4,810,000	4,810,000	0.0%
Interest	0	0	0	
	5,304,822	5,500,000	5,500,000	0.0%
Community Dev. Block Grants / Housing Grants	16,708,744	15,445,000	15,156,000	-1.9%
(excluding appropriations listed above)	16,708,744	15,445,000	15,156,000	
Transportation Fund	36,957,438	30,227,582	33,097,500	9.5%
Parking Division Fund	21,286,232	14,738,900	17,530,084	18.9%
Total All Special and Other Fund Revenues	**$586,498,749**	**$602,346,257**	**$607,768,126**	**0.9%**

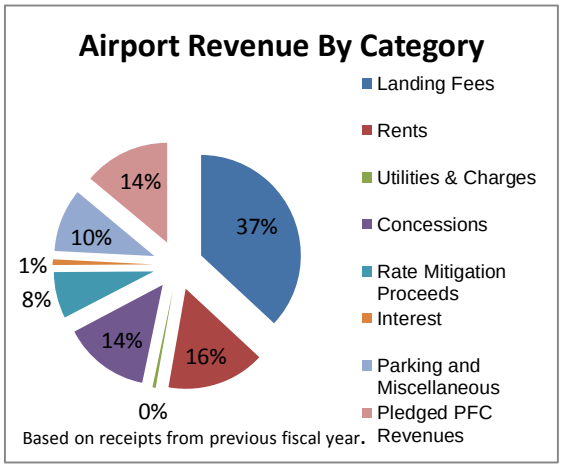
AIRPORT AUTHORITY
(Lambert-St. Louis International Airport)



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.



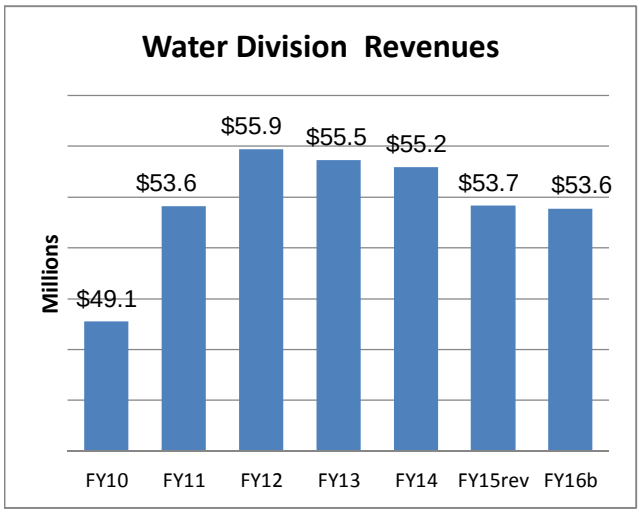


Historical Growth Rates	
1 Year	-2.2%
3 Year	1.0%
5 Year	2.4%
10 Year	1.4%
FY15 (rev. est.)	4.1%
FY16 (budget)	-1.7%

Discussion

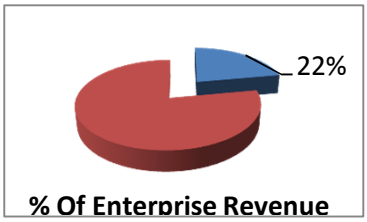
Lambert - St. Louis International Airport receives just over half of its operating revenues from signatory airlines in the form of landing fees and terminal rents. Signatory airlines are those airlines serving the Airport who have signed use agreements and include: Air Canada, Air Choice One, Air Tran, 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 4.3% with revenue from rents and concessions declining 3.3%. Operating revenues are supplemented by pledged passenger facility charge revenues (ticket surcharges for Airport upkeep) of $28.3M. Following an increase in the current fiscal year, overall Airport revenues are projected to decline by 1.7% in FY16.

WATER DIVISION

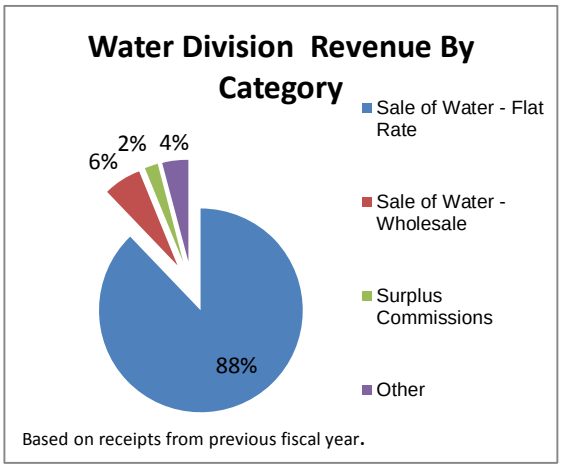


Definition

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



Historical Growth Rates	
1 Year	-0.5%
3 Year	0.9%
5 Year	3.3%
10 Year	3.2%
FY15 (rev. est.)	-2.7%
FY16 (budget)	-0.2%

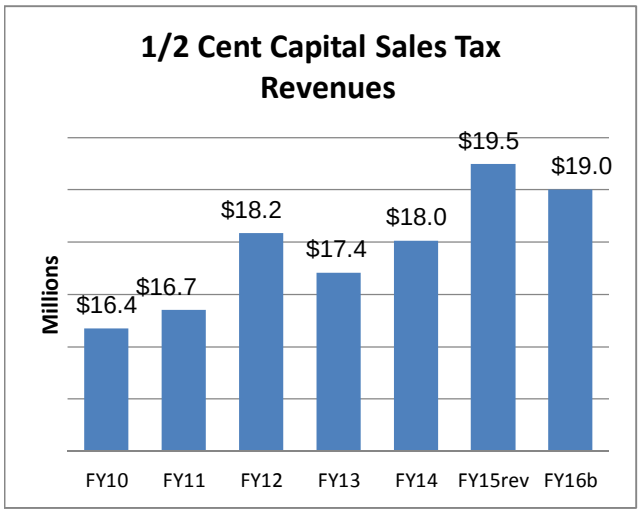


Discussion

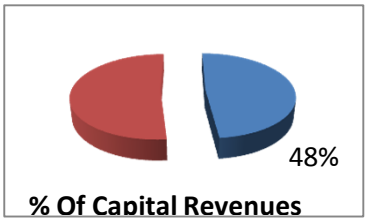
Revenues from net sales of Water include sales to flat-rate and metered customers and sales to other governmental jurisdictions. While the number of metered and unmetered customers has decreased reflecting the city's population decline, increases in the sales to other governmental jurisdictions has offset 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. FY15 revenues through the fiscal third quarter were down 3.5% and are projected to be nearly flat in FY16.

1/2 CENT CAPITAL SALES TAX

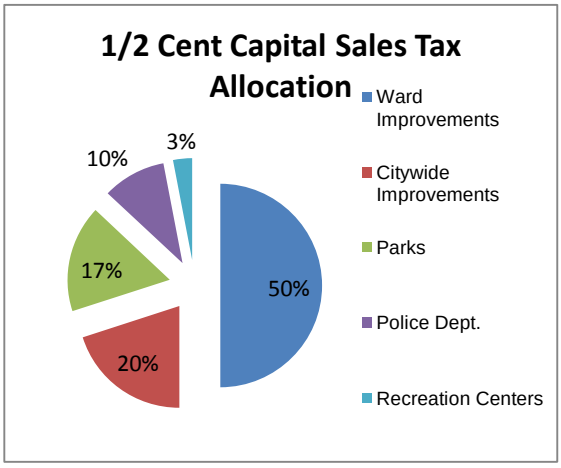


Definition



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.

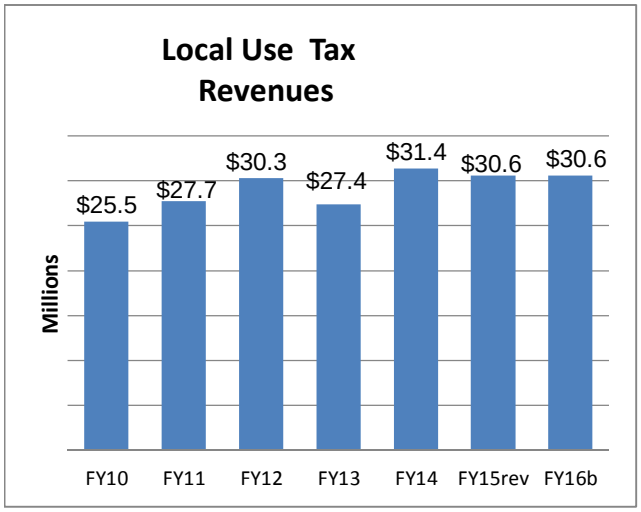
Historical Growth Rates	
1 Year	3.5%
3 Year	2.6%
5 Year	0.7%
10 Year	1.0%
FY15 (rev. est.)	8.1%
FY16 (budget)	-2.6%



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 in years past been the most sensitive to changes in economic conditions. While long term growth remains modest, recent years' receipts have seen improvements and FY15 receipts are expected to be up over 8%. Recent history suggests that out performance in one year (e.g. FY12) can be followed by decline in the next. The FY16 estimate assumes a decline of 2.6 % which would bring results in line with the 3 year trend.

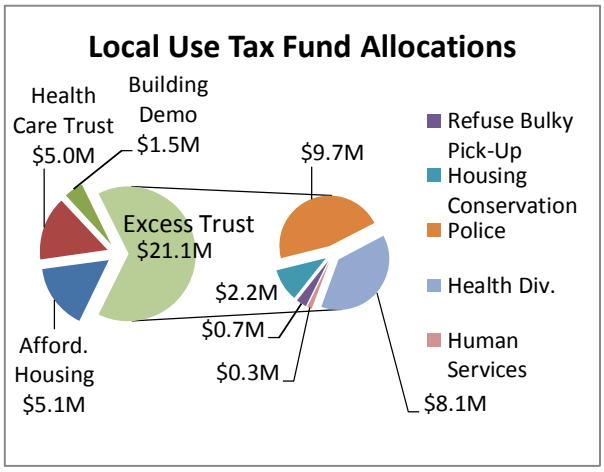
LOCAL USE TAX



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%.

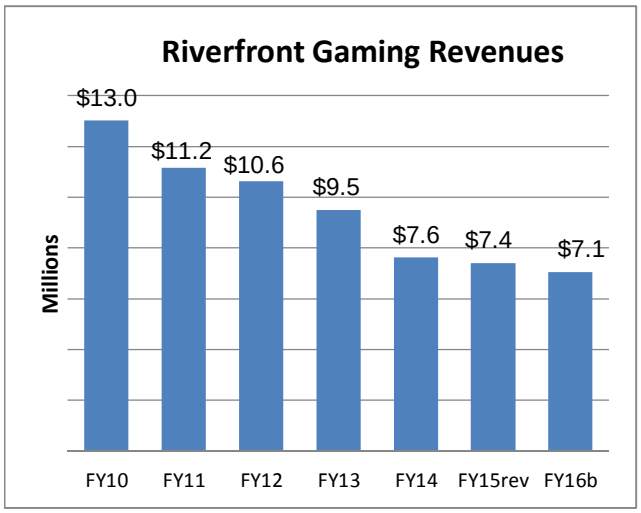
Historical Growth Rates	
1 Year	14.7%
3 Year	4.2%
5 Year	0.0%
10 Year	2.2%
FY15 (rev. est.)	-2.6%
FY16 (budget)	0.0%



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 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 have shown only modest increases in base receipts with due mostly to increases in the rate. FY15 receipts have seen a decline through the fiscal third of 2.3% Use tax receipts are projected to remain flat in FY16. 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

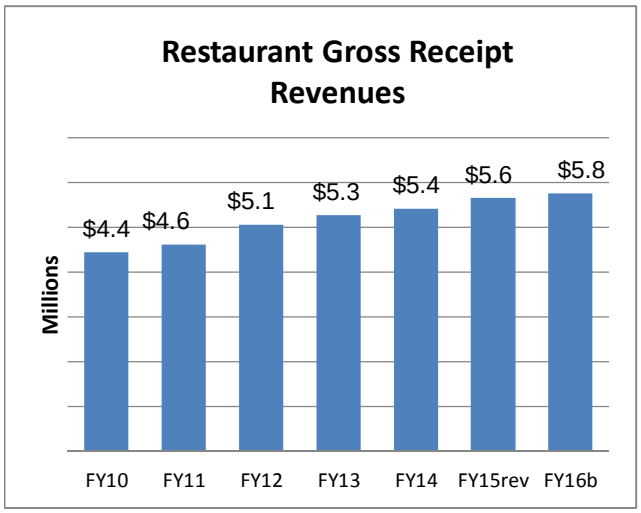
Riverfront Gaming revenues come primarily from two sources: 1) the local share of the state gaming tax and 2) the local share of the state admissions tax.

Historical Growth Rates	
1 Year	-19.7%
3 Year	-11.9%
5 Year	-9.2%
10 Year	1.5%
FY15 (rev. est.)	-2.9%
FY16 (budget)	-4.7%

Discussion

In December 2007, Lumiere Place, the gaming facility operated by Pinnacle Casinos opened on Laclede's Landing. The 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. Gaming revenues through the third quarter of FY15 were down nearly 5%. Revenue estimates for FY16 anticipate a continue downward trend.

RESTAURANT GROSS RECEIPTS TAX



Definition

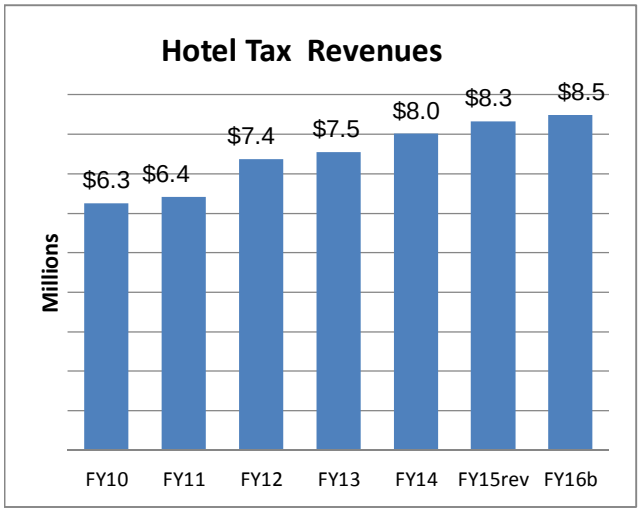
A 1% tax levied on the gross receipts of restaurants, excluding the sale of alcoholic beverages.

Historical Growth Rates	
1 Year	2.6%
3 Year	5.4%
5 Year	3.2%
10 Year	3.2%
FY15 (rev. est.)	4.4%
FY16 (budget)	2.0%

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 6.7% through the third quarter of FY15 and are expected to finish the year up over 4%. Similar to the sales tax, these receipts can be impacted by non-recurring events, and projections for FY16 are for a more modest increase of 2%.

HOTEL / MOTEL SALES TAX



Definition

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

Historical Growth Rates	
1 Year	6.3%
3 Year	7.7%
5 Year	4.2%
10 Year	4.6%
FY15 (rev. est.)	3.9%
FY16 (budget)	2.0%

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 6.7% through the end of the third quarter of FY15 and based on historical receipts are expected to finish the year up close to 4%. FY16 estimates assume more modest growth of 2%.

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, propertty, 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 efficency 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 depatmments 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.

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