EXECUTIVE SUMMARY

FY2017 ANNUAL OPERATING PLAN

The FY2017 Annual Operating Plan continues the efforts in previous years to allocate the City's resources in such a way as to maintain the quality of life of its residents, visitors and businesses alike. Each year presents its own set of challenges, but invariably the most fundamental of these is matching a limited pool of resources with a multitude of service demands. This fact underscores the need to foster efficiency and efficacy in how these City services are provided and funded so that City government can be assured of the resources necessary to achieve its mission. The successful vote this April for retention of the City's Earnings Tax will at least ensure the continuation of the City's largest source of revenue for another five years. The simultaneous voter approval of a $25M general obligation bond issue, though much smaller in scope, will provide the opportunity to replace some much needed fire department equipment and funds for building improvements. The revenue impact from the relocation of the Rams NFL franchise from the City though small in proportion to the budget can be expected to be a drag on revenue growth in the coming fiscal year. FY2017 will also see budgetary commitments related to the announcement of the potential relocation of the National Geospatial Agency to the planned development on the City's north side, a project that has much to offer in terms of long term development opportunities and future economic growth. Meanwhile, efforts to enhance public safety initiatives such as the PIER Plan will continue to be a funding priority. In the current fiscal year, revenues through the third quarter were tracking fairly close to original budget estimates. Employment-based tax receipts such as earnings and payroll taxes have shown continued growth through the third quarter of the fiscal year, at a rate exceeding the rate of inflation. Meanwhile, sales tax receipts, after posting strong results in the prior year, have still managed to post

FY2017 Budget:

	FY16	FY17p
General Fund	**$492.6M**	**$511.1M**
Special Revenue & Other Funds	**298.5M**	**304.1M**
Enterprise Funds	**225.5M**	**226.0M**
Total	**$1,016.6M**	**$1,041.2M**

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.

positive gains fiscal year to date and are slightly ahead of budget estimates. Underperforming revenues include franchise utility taxes as well as certain departmental fee revenue. In the previous fiscal year, growth in general revenue was up by 2.6% and is expected to rise by closer to 1% in the current fiscal year. Historical trends since the end of the last recession suggest long term growth in the 2% range 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 have been successful efforts in reforming the City's pension systems and an effort to incorporate 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 some success with sales tax initiatives related to Parks improvements as well as the new $25M G.O. bond issue, funding for much needed improvements to City streets and bridges, municipal buildings and other infrastructure and equipment remains elusive. On the operating side, 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 FY2017 Annual Operating Plan, as with prior plans, is geared 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 2016 and 2017 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 FY2017 Annual Operating Plan allocates a budget for all funds combined totaling $1,041.2M. This amounts to an increase of 2.4% from the previous fiscal year. The City's general fund, with a proposed budget of $511.1M, remains the largest component of the budget providing the majority of City services. The overall net increase for the General Fund is 3.7%. However, FY2017 includes a 27th pay period funded from a reserve for that specific purpose, (a quirk of the biweekly pay calendar that occurs every 11 years). After adjusting for the 27th pay the base growth in the general fund is 1.6%. The proposed City workforce total for all funds amounts to 6,673 positions which is down slightly by a net 8 positions from the prior year. Most of these changes are scattered across departments in both the general and special funds.

REDUCING EXPENDITURES AND FINDING NEW WAYS TO DELIVER CITY SERVICES

Safe Neighborhoods

The total FY2017 budget for the Police Department excluding grants but including pension costs is $190.7M. This total includes approximately $4.6M for increases in pay for uniform and civilian employees of the department, including wellness incentives. The amount budgeted for overtime expenditures which rose significantly in the past year will also increase by $1.9M. Continued initiatives such as "hot spot policing" targeting high crime areas and other efforts to heighten police presence have contributed to these rising overtime costs. As in the current fiscal year, a total of $1.9M has been budgeted to address various fleet and equipment needs. The newly approved G.O. bond issue will provide $2.2M for the relocated property custody unit of the Department. This unit, previously located in the old Police headquarters building, was not included in the move to the new headquarters in the previous fiscal year. The Department's overall uniformed strength will remain relatively unchanged in FY2017 at a total of 1,292 officers. This total includes trainee positions that prior to the current fiscal year were 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 supplemented with $345,000 budgeted in the Police Unit of the Department of Personnel. The Park Ranger unit of the Police Department will see an increase of $0.3 million to fund an additional 5 park ranger positions. FY2017 will mark the second year of funding for the new Civilian Review Board. The Board, established by ordinance, is an effort to ensure the continued confidence and working relationships between the Police Department and the community it serves. The FY2017 budget includes $312,000 for the office as a separate division in the Department of Public Safety. Meanwhile, strategic law enforcement is only one facet of numerous City initiatives to reduce crime and promote long-term neighborhood stability. Efforts to enhance job training, education and social service programs are all highlighted in the recently released PIER plan and to some extent will touch upon other areas of the budget.

In the City's Fire Department, total uniform strength 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. It is also anticipated that the City funds will continue to be supplemented with a new cycle of grant funding. The hiring grant, known as SAFER, can be expected

to provide up to $2.5M over the next two years in supporting the retention of 20 firefighter positions in the department. The budget provides for pay increases and wellness incentives similar to the Police Department totaling $1.7M and as staffing drops below authorized levels, assumes funding for recruit classes to minimize vacancies and keep overtime expenditures under control. Pension costs for the department which had fallen significantly following pension reform efforts in recent years will rise by $4.4M in FY2017. This increase is comprised of a $1.7M increase to the new plan (FRP) following actuarial adjustments in the current year and a $2.7M increase to the old frozen plan (FRS) as a result assumption changes following the most recent experience study.

In other areas of the Department of Public Safety, the Division of Corrections has seen its average inmate population hold steady in the current fiscal year at about 1,320. This is slightly higher than the previous fiscal year but remains a few hundred below levels of two and three years ago. 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 these previous year totals. While staffing levels at the two facilities will remain the same, Corrections will see a decline in budgeted costs of approximately $0.2M in contractual services primarily related to the provision of inmate medical services due to the lower census.

Attractive Parks and Recreation

The City Parks Department is continuing its 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 3/16 sales tax that went into effect on October 1, 2013, is providing an estimated $2.7M 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 scheduled for completion in 2017. One of the ongoing concerns facing the Forestry Division in coming years will be addressing the arrival of the emerald ash borer. This insect, which has been devastating the population of ash trees in the eastern part of the country, has been confirmed in the St. Louis area. It is estimated that 18% of the City's tree canopy is comprised of ash trees. A combination of treatment and removal tactics will be employed in

Carondelet Boathouse by Mark Groth [www.stlouiscitytalk.com]

the coming years starting with an initial allocation of $529,000 from City wide capital funds. Elsewhere in the Parks Department, the Recreation Division will see an increase of about $50,000 in per performance life guard costs related to the recent reopening of the pool at the Marquette recreation center. 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 FY2017 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 $4.7M supplemented with an additional appropriation of $200,000 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 Fixing America's Surface Transportation (FAST) Act, City Capital and private sources.

In 2015, the City began construction of the Kingshighway Bridge over the Union Pacific Railroad and the project is approximately 20% complete. 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.

Through a partnership with Great Rivers Greenway District, Bike St. Louis Phase 3 was completed in 2015. This project involved construction of on-street bicycle facilities to modify 103 miles of roadways in the City of St.

Louis to improve interaction between bicyclists and motor vehicles. The project updated and upgraded 62 miles of existing Bike St. Louis routes that are a combination of shared lane facilities, bike lanes, and signage. Also included in the project were 41 additional miles of bikeways that included 21 miles of regular and buffered bike lanes constructed by adding markings or through "Lane Diets", 19 miles of shared lane markings, and the region's first 1.2 miles of "Parking-protected bike lane" in downtown St. Louis.

The City has begun design for 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. Once the project is designed and the estimated cost of construction is determined, the City will apply for additional federal funding to construct the project.

Through a partnership with BJC Healthcare, the Forest Park Parkway corridor will be reconstructed to improve safety, access, and aesthetics from Euclid to the Forest Park Parkway Bridge over Metro in Forest Park. This project compliments the BJC Campus Renewal Project and includes the removal of the Forest Park Parkway underpass at Kingshighway to incorporate a standard at-grade intersection. Other improvements include the reconstruction of the Forest Park Bridge over Metro. BJC Healthcare is providing the local match funding for the Metro Bridge reconstruction and the full funding for the Kingshighway intersection reconstruction.

Several streetscape improvement projects are in the final stages of design including the S. Broadway Streetscape Ph. 2, Washington Ave. Streetscape Ph. 3, Grand Center Great Streets Improvements on Washington, Newstead Ave. Improvements, and N. Broadway Streetscape. These projects involve pedestrian upgrades to comply with current ADA guidelines, lighting improvements, paving, street furniture, signal upgrades, enhanced crosswalks, landscaping, and other features. Construction of these projects is anticipated to begin in 2016.

The Traffic Management Enhancements Project Phase 3 is anticipated to start design in 2016. This project improves upon the means for the City to manage traffic and safety within the transportation network. The project establishes a new Real-Time Transportation Intelligence Center (RTIC) at 1915 Olive Street to augment infrastructure and operations. In addition, this project implements improvements that will provide a greater ability to meet the current and future transportation challenges of the City while reducing travel times and lowering vehicle emissions including the expansion of fiber optic network, video

surveillance camera system, Downtown Traffic Signal Optimization, Downtown Transportation Study, and RTIC Staffing and System Maintenance.

Roadway projects anticipated to begin design in 2016 include Germania Roadway Improvements from I-55 to Gravois, I-70 Exit Ramp Improvements at Carrie and Broadway, and Tower Grove Neighborhood Access Improvements.

On the operating side, after a major restocking of the Street Division's salt inventory following the severe winter season of two years ago, the Street Division has experienced two relatively mild winter seasons in succession. The FY2017 proposes an allocation of approximately $350,000, an increase of $40,000, to replace amounts used in the prior year and maintain a total salt inventory of close 30,000 tons to meet next season's needs. The Towing Division will see a net increase of one position, as the Division adds clerical staff to handle incoming calls and customer service issues while reassigning towing positions to the field. The Refuse Division will see a reconfiguration of routes due to the planned relocation of its north garage to a new centralized facility on Central Industrial Drive. The relocation is planned for late fall of 2016 and will result in the reduction of five vacant positions. The annualized savings of about $240,000 from these reductions is being used to help offset the cost of financing the new facility. In 2012, the Refuse Division budget allocated $500,000 for a lease purchase of new refuse trucks. With the final payment on that debt concluded in the current fiscal year, going forward the $500,000 will be allocated toward payment of the debt for the new Refuse garage facility.

Citizenry of Good Health and Well Being

The budgets for the Health Director and Commissioner's offices were consolidated into one budget unit of the Health Commissioner during the current fiscal year. Otherwise, the budget for the Health Department remains little changed from the prior year. The Communicable Disease Section has developed a "Do Your PART" campaign to encourage individuals to get tested or treated for sexually transmitted diseases and is in the process of restructuring its medical case management of the Ryan White program. The Animal Care & Control Section responded to approximately 3,400 calls for service and continues to see an average daily intake of approximately 3 animals per day at its shelter. It certified two more employees with the Missouri Animal Control Association during the fiscal year with the goal of 100% certification in the coming year. Environmental Health Services, which includes Food and Beverage

Control, strives to ensure citizens of St. Louis have a safe and sanitary environment responding to complaints and enforcing codes by inspecting food service establishments. The Division will be pursuing on-line applications for payment of fees, fines and permits in FY2017. The Health Division's Health Equity program will continue to sponsor activities which promote health education and healthy lifestyles. These include nutritional health programs, the "Let's Move" Childhood Obesity Initiative, "Jump N2 Shape", the Health Institute, Information Resource Center, "Small Changes for Health" and "Good 4 U, Healthy Vegan Cooking" programs among others. In FY2017, the Department of Human Services will be overseeing the effort to put in place a permanent men's overnight shelter and a daytime homeless intake location. The proposed plan includes the rehabilitation of the municipally owned building located at 1211-19 Tucker (former Vector Control building) which will be named "Biddle House". The estimated annual operating costs of the new facility will total approximately $160,000 of which half will be supported through grant funds.

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. During the last year, the LCRA Board, EEZ Board and TIF Commission at the St. Louis Development Corporation approved Tax Abatement projects and Tax Increment Financing incentives totaling $19.3 million which leveraged $293.6 million of private investment. Projects utilizing these incentives will retain 372 jobs and create 690 new jobs.

The central corridor of the City continues to be the focus of much of the City's recent development activity. In the CORTEX Innovation District between the Forest Park Parkway and I-64, the 380,000 square foot $110 million IKEA store opened in 2015 at Vandeventer and Forest Park Parkway. Another CORTEX project completed in 2015 was @4240, a 180,000 square foot office and lab building developed by Wexford Science and Technology and housing many firms including the Cambridge Innovation Center and Square's Midwest office. Other CORTEX projects completed in 2015 include the Shriner's Hospital and CORTEX Commons, a green space along Boyle Avenue to serve as the spine and event space for the district. Under construction is a new structure to house Techshop, a pharmaceutical firm and a restaurant. To the west of CORTEX, the BJC Healthcare Campus Renewal Project continues with the

construction of 12 story structures along Kingshighway and a 213,000 square foot 6-story academic building for the College of Pharmacy housing classrooms and research facilities.

Some $55 million of development is underway in the portion of the Central West End neighborhood to the north of CORTEX. The $70 million Orion includes six floors of apartments and a first floor Whole Foods. The Standard includes 400 student housing units. Construction is underway on the 12-story Residences on Lindell with first floor retail and development is starting on another mixed-use 7-story building at Euclid and West Pine. West Pine Lofts, Garhardt Lofts, the Cornerstone Apartments and some 700 units of St. Louis University student housing are all underway or recently completed.

Downtown, the $110 million Arcade Building opened at the end of 2015 with almost 300 units plus the downtown Webster University campus. The $100 million Phase 2 of Union Station is underway including the addition of 48 more hotel rooms and an entertainment center including a Ferris Wheel. The $380 million CityArchRiver project renewing the Jefferson National Expansion Memorial will be completed in 2017 and includes a completed park over I-44 and the redevelopment of Kiener Plaza.

In March, 2016, the National Geospatial-Intelligence Agency declared that the 99 acre site on the City's north side is the preferred site for the location of its new $1.75 billion facility. The NGA, with a total of 3,100 employees, has been located in the City of St. Louis for the past 72 years and had been contemplating various relocation sites in the region. The construction of the new start-of the-art intelligence agency in north St. Louis will retain these jobs as well as provide for future job growth, including thousands of construction jobs and transform a large section of the heart of the City. A formal decision on the relocation will not occur before May 1, 2016. In the FY2017 budget, $1.5M has been included in a City Wide account as the City's share of debt service payments related to the NGA site development financing agreement.

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 FY2017 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

The City's maintains a biweekly payroll, meaning in most given fiscal years (July 1 to June 30) there will be 26 pay days. However in FY2017 there will be 27, a quirk of the biweekly schedule that occurs every 11 years. Funds for the "27th Pay" are set aside each year in a reserve for this purpose. The FY2017 budget includes the costs of this extra pay day at a cost of approximately $10.1M with funds to be drawn from the 27th Pay Reserve. Subsequent years will revert back to 26 pays with contributions toward rebuilding the reserve to resume for the next cycle. In the current fiscal year, most non-uniformed City employees were placed in a new pay matrix. This matrix provides that on an anniversary date of hire, each employee will be eligible for a merit pay increase of 1.5%. On an annualized basis, the total costs for this increase will amount to $2.5M in the General Fund and $3.7M in all funds. It is anticipated that uniformed fire and police employees will receive a combination of pay increases consisting of matrix step increases and a $2,000 across-the-board increase. The annualized costs of these increases will total $3.8M for Police and $1.3M for Fire uniformed employees. Uniformed employees will also continue to be eligible for $1,000 in fitness incentives. Following earlier pension reform efforts and improving market conditions, City pension costs in the last two fiscal years have posted declines. However, FY2017 will see an increase in these costs as overall pension contributions will rise by $2.8M bringing the costs of pension in all funds to $82.5M. In the Firefighter pension systems, costs will rise by a total of $4.4M, consisting of a $1.7M increase to the new FRP plan which saw an adjustment to its valuation in the past year and a $2.7M increase to the old FRS plan which has made adjustments to assumptions following a recent experience study. Police pension costs will rise by about $300,000. The general City plan of ERS, which also conducted an experience study in the past year, will see the cost of contributions go down by $1.8M. Meanwhile, the cost of employee health insurance premiums which rose over 8% in the previous year will moderate in FY2017 rising by less than 1% with a budgetary impact of approximately $200,000. The FY2017 budget continues an effort begun in the past couple of years 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 $6.3M has been budgeted to address these costs in the general fund for an increase of $0.7M. 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 are intended as steps toward cost containment, the rising cost of pay and benefits, and particularly pension costs, 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 with little or no increase for the most part with any increases restricted to pay and benefit costs discussed above. In the non-departmental City Wide Accounts budget, unemployment costs which have been trending down in the past couple of years are budgeted at $700,000 or $125,000 lower than the current year. The subsidy to the Assessor's office will increase by $300,000 as the prior year utilized a balance in that fund as well as to cover the cost of the 27th pay and other increases contained in that budget. The payment to the CVC for asset capital maintenance of the convention center will increase by $695,000. This is to restore funding to the level it was prior to allocating funds for debt service on recent HVAC and lighting system upgrades to the facility. In the Judicial Offices, a reduction of five positions in the Sheriff's office coupled with reduced salary costs in the Juvenile Division will result in a net decrease of approximately $500,000. This decrease will be offset with a couple of increases elsewhere within the Courts. The Circuit Drug Court budget of $527,000 will be funded entirely from the general fund. This is an increase of $290,000, over the previous year where a portion of this cost had funded through special crime prevention funds. Also, beginning in January of 2017, the previously elective office of the Public Administrator will become an appointed one under the Judicial Circuit Court. Traditionally, the office which handles estates and guardianships has been strictly a fee office with no City subsidy. However, an increasing amount of its business has been coming from guardianships for clients with mental health issues with little or no offsetting fee revenue. Upon the transition, the City will subsidize the Public Administrator position and provide a $40,000 subsidy to the office to supplement the Public Administrator function. Revenues generated by the Public Administrator will be deposited into a special fund and will continue to serve as the majority of the funding for the office. In the County Offices, the Board Of Elections will see an increase of about $950,000 related to the full year of elections in the coming fiscal year. These include both the state primary and presidential elections in August and November as well as the municipal primary and general election in March and April of 2017. The Board will also be charged with reviewing signatures for a variety of initiative petitions which vary in number from year to year. In Facilities Management, the cost of the City's sewer bill is expected to rise by $200,000 offset for the most part by other utility accounts which have been tracking under budget for the year. The Equipment Services Division (ESD) budget reflects the pending consolidation of its North Refuse Garage and Fire Equipment Repair operation currently provided via contract by Metro. The new location on Central Industrial Drive is more centrally located and as previously discussed will offer opportunities for efficiencies particularly within the Refuse Division. With the anticipation of the relocation to the new facility in November, the ESD budget contains the addition of $0.6 million in per performance labor and $0.3 million in supplies and supporting accounts to reflect the seven months or so of operation that will follow the return of in-house of fire engine maintenance. The amount budgeted for the partial year of Metro contract work will

likewise decline by nearly half or $0.7 million. While there will be ultimately be some benefit to replacing a limited number of fire and EMS vehicles as contemplated by the newly approved $25M G.O. bond issue, the overall age of the City's fleet continues to rise and repair demands and costs will continue to be a challenge for a limited ESD budget. One of the benefits of the declining cost of a barrel of oil in the past year has been the reduced costs of fueling the City's fleet vehicles. Based on projections over the next twelve months, the budget contains a reduction of $1.5 million to reflect this lower fuel cost environment. As in recent years, the cost of fuel has been allocated and is contained in the budgets of the various user departments. The Missouri Historical Society will take over the operations of the Soldiers Memorial Military Museum in a long-term agreement with the City signed in November 2015. The agreement allows the Society to lead a multi-million dollar renovation of the Museum to make it a state-of-the-art facility honoring soldiers and their service. The Museum closed February 29, 2016 and will reopen in 2018.

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. Much of the previous reallocation of funds going back to the recession years has been phased out particularly with regard to capital funds. FY2017 is a bit of an unusual year where despite underlying revenue growth, certain unique events such as the loss of NFL football have created required some adjustments to the revenue outlook in the short term.

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 recreation 1/2 cent allocations were reallocated to the Citywide account to offset the general fund's capital obligations. In the current fiscal year, the budget had resumed full allocation to all capital accounts. Given the particular hits on revenue in the coming fiscal year, the FY2017 annual operating plan proposes the capital allocation the Ward accounts at 85% of normal. This reduction amounts to

approximately $1.4 million which is being applied to fund other Citywide Capital obligations and thus helping to balance the budget.

Reallocation of Affordable Housing and Building Demolition Funds

As previously discussed, the FY2017 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

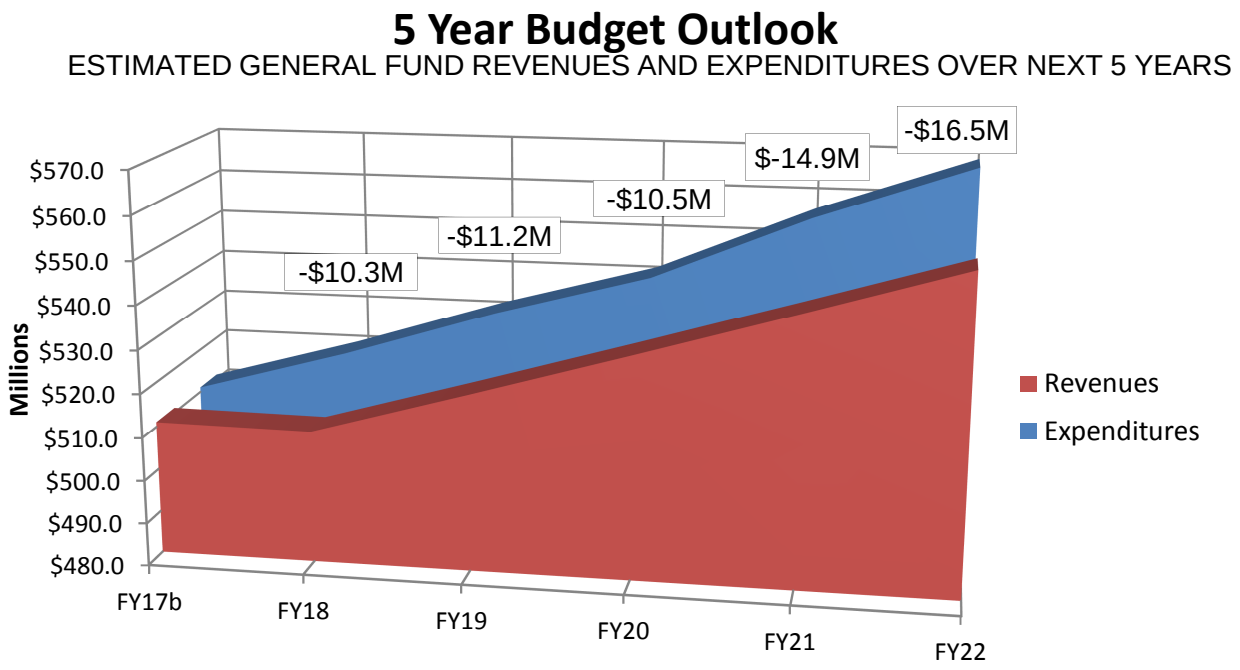
Forest Park capital funds along with the other major City parks will continue to receive full funding allocations in FY2017. The Forest Park Fund which is funded with concessions and other revenues generated in the park had in recent years assumed utility costs in the Park in the amount of $600,000. As part of the Forest Park management agreement, these costs were reassumed by the general fund in FY2016. As previously discussed, the FY2017 budget does propose to assume the full cost of the Drug Court at $527,000. This is an increase of $290,000 a cost that in previous fiscal year had been budgeted utilizing crime prevention funds from the ½ Cent Public Safety Sales Tax.

While some of these reallocations that are continuing into FY2017 may be temporary in nature, other steps taken in this FY2017 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 following chart illustrates a five year projection of revenues and expenditures for the City's general fund. The City's long term growth in general revenues has been in the 2% range and aside from any sudden downturns due to recession can be reasonably be expected to continue this trend. Given that the City is required to have a balanced budget each year, expenditures have also historically followed the trend in revenues. However, this balance between revenues and expenditures has not been achieved without taking extraordinary steps in recent years (e.g. reducing payroll, deferring capital expenditures, reallocating special revenues, etc.). While the need for taking these steps has been driven in part by declines in revenues resulting from recession, with the assumption of modest revenue growth going forward, it is the growth in costs such as employee pensions and health insurance that have far outstripped revenue growth and have been the primary cause of imbalance. The FY2017 budget continues to reflect gradual improvement in these trends, albeit with some hits on revenue (e.g. recent loss of NFL football). However, an underlying structural imbalance remains along with other challenges related to funding capital improvements. 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 rise $2.8M in FY17 following two consecutive years of declines after nine years of extraordinary increases. Part of the decline in recent years is related to improving market conditions while another part can be directly attributed to recent efforts to reform the Firefighters' Pension system. Still, total pension costs remains elevated at $82.5M in FY2017 and can be expected to slowly rise over the forecast period assuming each system meets assumptions. These costs

will 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 FY2017 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.

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, and a relatively small $25M general obligation bond issue for fire engines and other building repairs was approved by voters this spring, Citywide capital requirements far outpace available Capital Fund revenues. Development of a strategy to address these needs will continue with updates of the Citywide capital needs inventory and planning for potential general obligation bond issues in future years.

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 $14 million at the end of FY2016, 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. The FY2017 budget ordinance takes an additional step in this direction whereby previously one-half of any prior year operating surplus was allocated to the capital fund. Going forward this practice will be suspended until reserves return to the targeted 5% of budget.

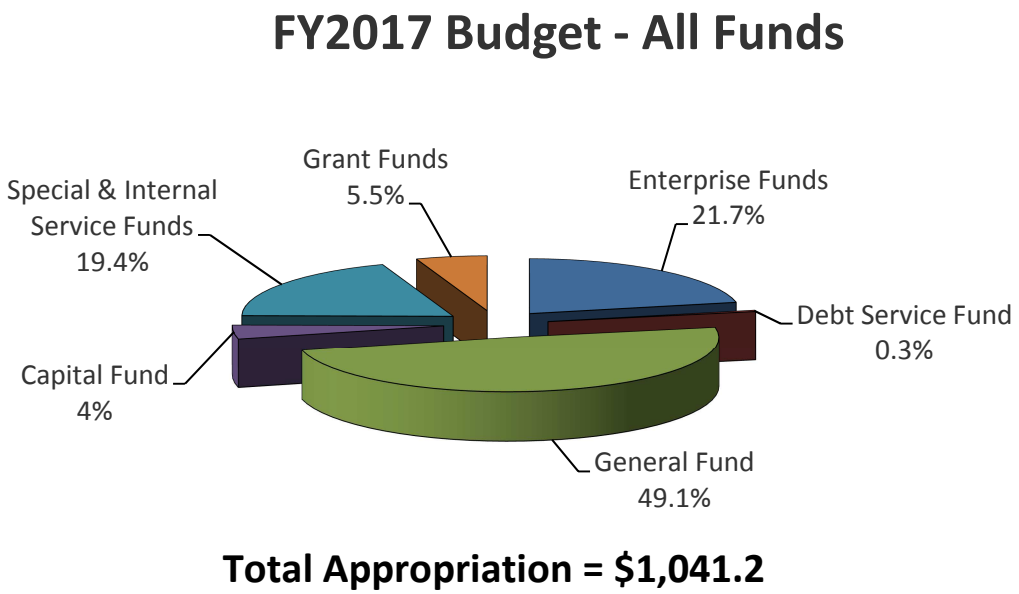
Long Range Financial Plan

The City also issued a long range financial plan in the past year which highlights 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. Among some of the key initiatives related to the plan will be convening groups to assess the City's tax structure and revenue options for ensuring overall revenue

growth keeps pace with inflation and the economic growth cycle as well as addressing some of the more persistent challenges in reducing costs and achieving efficiencies in government services.

FUND GROUPS

The total proposed budget for FY2017 is $1,041.2M and is funded by a combination of local tax and fee collections, dedicated funds for enterprise functions and project specific grants. The vast majority of local taxes and fees collected are used in support of general fund activities. The remaining local collections are deposited in special accounts due to legal requirements and are used to augment the services provided by the general fund. These special funds include those containing Local Use Tax proceeds, revenues from gaming operations, the cable television gross receipts tax, the state subsidy for property tax assessment, building demolition, lead abatement and other special funds. In the budget, these amounts are further broken down by departmental activities using specific projects and accounts, with appropriate distinctions being made between operating and capital expenditures.



GENERAL FUND OPERATIONS

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

$511.1M, the FY2017 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 $287.1M. Police services including police pension costs amount to $163.5M. 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 parks and recreation operations at $21.0M, streets, traffic and refuse collection at $35.6M, and general government and finance operations at $33.3M. Functioning as both a City and County, the general fund also includes appropriations for the 22nd judicial circuit of Missouri and a number of county office functions for $57.6M. Debt service payments for large projects funded through lease arrangements are included in the general fund allocation in the amount of $33.2M. Lease debt payments in FY2017 include the annual lease payments on the Scottrade Center debt and the Convention Center / Stadium and City Justice Center and Carnahan Courthouse complexes as well as the first year's payment of $1.5M related to the National Geospatial Agency development. 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 $56.8M, a 3.4% 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 $0.6M in FY2017 which is down about $0.5 million. The largest portion of the 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 FY2017, the Department of Human Services will administer a total of $23.2M 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 $37.0M 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 $4.4M in FY2017. The Fire Department which has benefited from a SAFER grant that provided funding for 20 firefighters in the past two fiscal years has applied for a new SAFER grant which would provide $1.2M in funding over the next two fiscal years. Public Safety grants overall excluding asset forfeiture funds are estimated to total $7.0M in FY2017, a decrease of approximately $3.0 million 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 $29.5M in revenue in FY2017. Programs funded by the Local Use Tax include public health care services, building demolition, affordable housing development, police services, and neighborhood preservation efforts. In FY2017, the budget will also allocate $7.1M 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 $3.6M 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 $16.8M 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. Following voter approval of a new $25 million general obligation bond issue in the April, 2016 special election, work will proceed on issuing these bonds in the coming fiscal year.

Capital Improvements Fund

The Capital Improvements Fund budget allocates $42.3M in funds dedicated to improvements and repairs to the City's infrastructure and major equipment replacement. 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 a decrease of $1.5M from the previous year with the majority of these funds allocated toward payments on a variety of lease debt agreements. In FY2017, the allocation of ½ cent capital funds to the Ward account is at 85% of the normal allocation. This reduction, equivalent to $1.4M, will be allocated to the City wide capital account and is designed to help offset the budget gap. Total Ward Capital allocations will total $8.4 million

including about $0.5 million from excess revenues that will have accrued in the current fiscal year. Of the total budget for Capital Improvements, $24.4M or nearly 58% of the budget is for servicing debt on existing capital lease debt obligations.

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 FY2017, the budgets for these two departments will total $55.4M and $170.5M 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. In recent years, the Water Division has seen little to no growth in net sales of water and is projecting a decline of 2% or more in the coming year. With a budget of $170.5M, 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 benefits fund. Appropriations for these funds total $0.9M and $71.2M respectively. The Employee Benefits fund is the fund in which City appropriations for employee benefits contained in departments' budgets as well as employee's share of costs are used to pay the various premium payments for health insurance and other benefit programs. 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 $3.5M a decrease of $1.5M, following the declines in fuel prices over the past year.

SUMMARY

In summary, the total budget appropriation for FY2017 is $1,041.2M, a 2.4% increase compared to the previous fiscal year. The General Fund which serves as the main operating fund for funding major City services totals $511.1M. This represents about 49% of the total amount or just under half of the total budget. City general funds are supplemented by a total of $56.8M 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 FY2017 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 FY2017 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.

FY2017 Annual Operating Plan Highlights

- $3.7M increase for full year impact of prior year pay increases for City employees from all funds plus $4.7M for matrix step and other increases for uniformed Police and firefighters
- Police Dept. uniform strength to remain virtually unchanged at 1,292 officers; Overtime increase at $1.9M
- Fire Pension system contributions to increase $4.4M ($1.7M to new FRP plan and $2.7M to old FRS plan) following valuation and assumption adjustments.
- Employee Retirement system contributions to decline $1.8M and Police System to increase $0.3M respectively
- $10.1M increase related to cost of 27th Pay; a byproduct of biweekly payroll that occurs every 11 years; to be funded through a draw from the 27th pay reserve fund.
- $1.5M as City's obligation under NGA relocation financing agreement.
- $0.7M increase in CityWide Accounts for asset preservation payments for Convention Center
- $1.6M in reduced debt costs due to refinancing of Carnahan Courthouse debts
- $1.1M increase in Worker's Compensation costs to reflect actual trends and continued initiative to reduce costs by 5%
- $1.5M reduction in allocated fuel costs across all departments
- $0.9M increase in costs of the Election Board due to scheduled state primary, presidential and municipal elections
- $260,000 in general fund and special fund appropriations for Public Administrator's Office which shall become appointed by Courts beginning January 1, 2017
- $0.3M decrease in Refuse Division as part of new consolidation of its North Refuse Garage to a new centralized location
- $0.3M decrease in contractual medical and salary costs of Corrections Division due to lower census
- $0.3M increase for 5 additional Park Ranger positions
- $0.3M net increase in Equipment Services Division budget with mid-year move to new garage facility and in-house resumption of Fire engine maintenance
- Full allocation of $1M of ½ cent crime prevention funds for crime prevention programs
- Capital improvements budget of $42.3M a decrease of $1.5M from previous fiscal year
- $1.4M in reallocation from Ward Capital account (85% of normal) and continued reallocations of $0.5M in Affordable Housing and $1.5M in Building Demolition fund to address budget gap
- Personnel totals nearly unchanged with net decrease of 8 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 FY2017 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

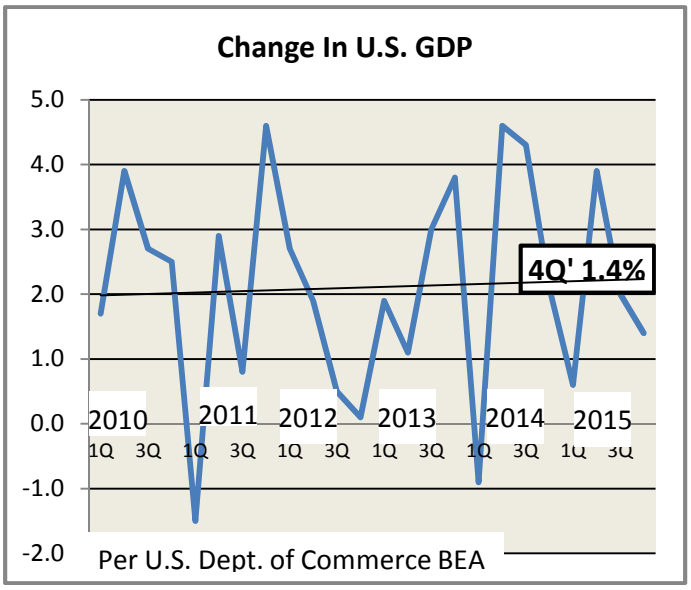
FY2017 ANNUAL OPERATING PLAN

This section presents summary information on the FY2017 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 FY2017.

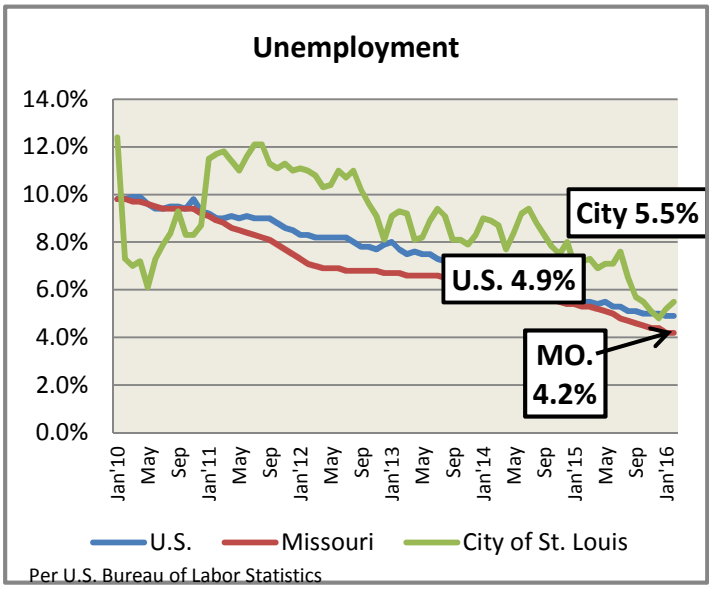
ECONOMIC OUTLOOK

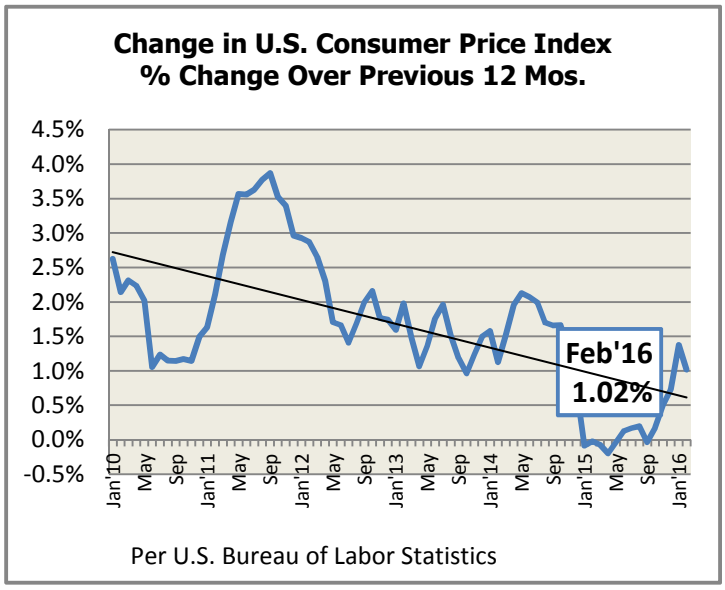
U. S. Economic Outlook

The annual rate of real growth in the gross domestic product for 2015 was 2.4% according to the U.S. Bureau of Economic Analysis. This is the same level of increase as in the 2014 calendar year. BEA reports cite that declines in non-residential fixed investments and exports as well as an acceleration in imports were offset by increases in personal consumption expenditures and residential fixed investments. A smaller decrease in federal government spending and an acceleration in state and local government spending also contributed to these results. With the current period of economic expansion beginning in June of 2009, the expansion period is poised to enter its eighth year. The fourth quarter of 2015 saw a decline in the growth rate following a stronger performance in the third quarter. Real gross domestic spending, which are purchases by U.S. residents of goods and services wherever produced rose 1.5% in the fourth quarter, which was a bit off the 2.2% pace of the previous quarter. The Bureau of Labor Statistics reports that non-farm payroll employment increased by 215,000 jobs in March, 2016 and that the national unemployment rate was little changed 5.0%. Over the last three months, job gains have averaged 209,000 per month and the labor force participation rate has shown recent improvement coming in at 63% in March. The continued



improvements in the employment picture suggest that the economy is continuing to pick up the slack in the labor markets, however the impact on wages thus far remains modest. Real average hourly income was reported to have remained unchanged in February with an overall increase of 1.2% over the prior twelve month period.





The inflation rate was down 0.2% in the month of February and has increased just over 1% in the past twelve months. It was this combination of improvements in the labor market with low inflation that allowed for the Federal Reserve to increase the federal funds interest rate by a quarter point for the first time since the economic expansion period began. With continued uncertainties in the global economy, the Fed has indicated that it will take a "measured" approach to any future increases in the rate. Most economic outlooks foresee that in 2016 the combination of a healthy jobs market and low inflation will contribute to economic growth at or slightly better than the previous year. 2017 could see some potential for slowing but growth is still anticipated in the 2% range. Meanwhile, inflation is expected to remain below the Fed's targeted 2% rate. Projections for unemployment also foresee the unemployment rate remaining below 5% or close to what many economists view as full employment. Though the dual challenges of the improving the types of jobs and sustaining wage growth will persist. 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 a potential downturn in global economic conditions.

Missouri Economic Outlook

The State of Missouri cites modest economic growth continued through 2015. The U.S. Bureau of Labor Statistics reports that the state's unemployment rate had fallen to 4.2% by the end of February, down from 5.5% a year ago. The data indicates a net gain of over 82,000 in employment for the 12 month period. Meanwhile, the state projects continued improvement in personal income levels with increases of 5.0% and 5.4% projected for 2016 and 2017 respectively and employment increasing 1.7% and 1.9% over the same period.

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. During the last year, the LCRA Board, EEZ Board and TIF Commission at the St. Louis Development Corporation approved Tax Abatement projects and Tax Increment Financing incentives totaling $19.3 million which leveraged $293.6 million of private investment. Projects utilizing these incentives will retain 372 jobs and create 690 new jobs.

The central corridor of the City continues to be the focus of much of the development in the City. In the CORTEX Innovation District between the Forest Park Parkway and I-64, the 380,000 square foot $110 million IKEA store opened in 2015 at Vandeventer and Forest Park Parkway. Another CORTEX project completed in 2015 was @4240, a 180,000 square foot office and lab building developed by Wexford Science and Technology and housing many firms including the Cambridge Innovation Center and Square's Midwest office. Other CORTEX projects completed in 2015 include the Shriner's Hospital and CORTEX Commons, a green space along Boyle Avenue to serve as the spine and event space for the district. Under construction is a new structure to house Techshop, a pharmaceutical firm and a restaurant. To the west of CORTEX, the BJC Healthcare Campus Renewal Project continues with the construction of 12 story structures along Kingshighway and a 213,000 square foot 6-story academic building for the College of Pharmacy housing classrooms and research facilities.

Some $55 million of development is underway in the portion of the Central West End neighborhood to the north of CORTEX. The $70 million Orion includes six floors of apartments and a first floor Whole Foods.

The Standard includes 400 student housing units. Construction is underway on the 12-story Residences on Lindell with first floor retail and development is starting on another mixed-use 7-story building at Euclid and West Pine. West Pine Lofts, Garhardt Lofts, the Cornerstone Apartments and some 700 units of St. Louis University student housing are all underway or recently completed.

Downtown, the $110 million Arcade Building opened at the end of 2015 with almost 300 units plus the downtown Webster University campus. The $100 million Phase 2 of Union Station is underway including the addition of 48 more hotel rooms and an entertainment center including a Ferris Wheel. The $380 million CityArchRiver project renewing the Jefferson National Expansion Memorial will be completed in 2017 and includes a completed park over I-44 and the redevelopment of Kiener Plaza.

In March, 2016, the National Geospatial-Intelligence Agency declared that the 99 acre site on the City's north side is the preferred site for the location of its new $1.75 billion facility. The NGA, with a total of 3,100 employees has been located in the City of St. Louis for the past 72 years and had been contemplating various relocation sites in the region. The construction of the new start-of the-art intelligence agency in north St. Louis will retain these jobs as well as provide for future job growth, including thousands of construction jobs and transform a large section of the heart of the City. A formal decision on the relocation will not occur before May 1, 2016.

City Economic Outlook

The March 2016 report of the Eighth District of the Federal Reserve located in St. Louis cites mixed economic activity. Businesses were reported to be experiencing strengthening wage pressures while employment and prices grew at a modest pace. While the report notes that reports of the rate of economic activity were unchanged with retail activity flat, real estate activity was reported as robust for both residential and most commercial property types. On employment and wages, the district report noted that though inflation pressures remain modest, certain sectors, particularly in manufacturing have reported stronger demand for high skilled workers thus some wage increases to attract and retain employees. The continuation of low gasoline prices was noted by some businesses to be benefitical to consumer spending although retail growth remained sluggish compared to the prior report. Along with the increase in real estate activity there was noted strong demand for construction loans. Manufacturing

activity was reported to be mixed. The unemployment rate in the City as reported by the Bureau of Labor Statistics was at a seasonally unadjusted 5.5% in February, 2016 or about 1.7% lower than the level from the same time a year ago. The number of jobs and the rate of unemployment are expected to remain at or only slightly below current levels as the national outlook approaches full employment. Retail sales as indicated by sales tax receipts have increased slightly at just less than 1%, however this follows strong growth in the prior year making the year over year comparison a difficult one. While the long term growth rate for the sales tax has often lagged other taxes and is currently at about 1.7% over the last ten years, recent years growth has improved with 3 and 5 year growth rates between 2.5% and 3.5%. Projections anticipate moderation over the next year reflecting the immediate impact of the loss of NFL football. Meanwhile, payroll spending as indicated from individual withholding showed continued growth at a pace of 4.0% through the end of March. 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

FY2017 General Fund revenues are forecasted to total $511.1M, an increase of 3.5% over the current year's revised estimate of $493.6M. Contained within this estimate is $10.1 million draw from the 27th pay reserve to provide the funds for the 27th pay day that will occur in the fiscal year. Adjusting for this amount, base revenues are projected to grow a more modest 1.4%. Revenue growth projections for most major tax sources are expected to grow collectively by approximately 1.8% 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 2.4%. Sales tax receipts, which managed to show a small increase of less than 1.0% following a strong performance in the previous fiscal year are projected to be nearly flat in FY2017 with underlying growth being offset in part by the loss of NFL football. Other revenues, such as property tax receipts which are projected to rise by 1.4% 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 2.5% collectively. These estimates reflect an assumption of continued growth in the national and local economies although at the previously described slow and steady pace.

Earnings and Payroll Tax

The City earnings tax, remains the largest single revenue producer, and has outperformed estimates in the past fiscal year with growth outperforming long term trends. Individual withholding taxes were up 4.2%

through third quarter of FY2016, suggesting that payrolls have continued to show gains over the past year at a rate that outpaces the rate of inflation. Growth in corporate receipts has continued in the current fiscal year as well. These receipts which represent about 19% of total earnings tax revenues were up a similar 4.3% through the third quarter. With the majority of corporate receipts not due to be filed until the fiscal fourth quarter, year-end results may vary. The growth in withholding receipts is an indication that employment that had previously lagged corporate results is rising as well. The payroll tax, with a slightly different base that is more heavily weighted toward the private sector, saw smaller gains in the current fiscal year, rising over 2.2% through the end of the third quarter, with growth expected to follow the earnings tax trend in FY2017.

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 second of these retention votes in April, 2016 with a 72% approval rate.

Property Tax

City property tax receipts are tracking within budget estimated with modest increases in receipts from both real and personal property up 1.8% and 0.9% respectively and 1.6% overall through the third quarter of FY2016. 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 FY2017. Reassessment of property values are conducted in every odd numbered year so the next reassessment is scheduled for the 2017 calendar year. The City's property tax levy remains slightly below its statutory limit and thus it can continue to be adjusted to make up for declines in valuation. In 2015, the total taxable assessed value increased by 1.6%. Given rate limitations, continued recovery in the real estate market is essential to avoid constraints on growth in property tax receipts in the future.

Sales Tax

Sales tax receipts had increased 0.6% through the end of April of 2016. This increase, though slight, was nevertheless outperforming budget estimates given that the previous year had seen an increase of over 9% and the budget had estimated a pullback in receipts in the current fiscal year. In recent fiscal years, sales tax receipts have grown in the 2.5% to 3.5% range. The long term growth rate (e.g. 10 years or more) has traditionally been weak but has improved and is now at about 1.5%. Sales tax receipts can 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 FY2017, it is anticipated that base growth in sales tax receipts will follow the longer term pattern of 1.5% but the loss of NFL

football is expected to be a drag on revenue in at least this initial year. Net growth is therefore estimated to be nearly flat at 0.2%.

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 following a decline in the last census. In FY2016, gasoline tax receipts, were nearly static, posting a decrease of 0.3% through the fiscal third quarter, suggesting that gasoline and fuel consumption had stabilized with the lower gas prices. Meanwhile, auto sales tax receipts continued to outperform rising 5.1% in the same period. Receipts for FY2017 are projected to continue to rise at a more modest 2.5% rate. Receipts from the state for prisoner reimbursements increased to $7.2M in FY2016, an increase of nearly $2.0M over the prior year reflecting the receipt of a back log of payments from the state. 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 $6.0M in FY2017. 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 recent years and are assumed at the average of approximately 1,600.

Franchise Utility Taxes

Franchise utility tax receipts have seen mixed results in the current fiscal year and are expected to finish FY2016 down about 3.5%. While electric utilities were up 5.8% through the third quarter and ahead of budget estimates, a mild winter where heating degree days declined 25% from the previous year, resulted in a decline of natural gas receipts by 22%. As a result, electric utility receipts, which represent nearly half of franchise utility taxes, were projected to outperform estimates only modestly while natural gas tax receipts were expected to fall short by as much as $2.3 million. Projections for FY2017 assume that electric receipts will grow at 3% while natural gas receipts will recover somewhat assuming a more normal winter and rise by 5%. Steam franchise tax receipts have fallen even more sharply than natural gas, posting a 31% decline, however these revenues represent less than 2% of total franchise receipts and are to return to some growth in FY2017 albeit off of a reduced base. Revenues from the gross receipts tax on telecommunications have seen a decline of over 16% through the fiscal third quarter, following more modest declines in the previous fiscal years. The estimate for telecom franchise tax receipts in FY2017 assume revenues to remain flat at this lower base of $11.4M. Gross receipts revenues from the sales of water in FY2017 are expected to decline slightly 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 continued a trend in recent years of exhibiting healthy growth. Through the fiscal third quarter restaurant tax receipts were up 7.6% while hotel tax receipts were up 4.7% over the same period. Historical growth rates for each of these sources of revenue over the last three to five years have been in the 4% to 5% range. Projections for FY2017 have tax receipts rising more modestly with hotel receipts growing at 2.0%. Restaurant tax receipt estimates assume underlying growth of 2.5% however, like the sales tax, are expected to see some drag related to the loss of NFL football with net estimates at an increase of just under 1%. Amusement tax receipts had declined over 13% through the end of the fiscal third quarter with 5% of ticket receipts from NFL football being the major source of these revenues. The relocation of the Rams will result in the loss of about $1.8M in amusement tax receipts in FY2017. Remaining amusement tax revenues going forward will be limited to the miscellaneous events that occur at the dome and other venues with estimated receipts for FY2017 totaling $175,000.

Other License Fees

Cigarette taxes which have a historical trend of declines were up 5.5% through the third quarter of FY2016. Projections for FY2017 are projected to remain flat at $1.8M. The largest category of license fees remains the graduated business license (GBL). The previous fiscal year saw GBL receipts increase slightly to just under $7.1M. Receipts to date in FY2016 have shown a decrease, however, given the timing of receipts, mostly in May and June, results for the current fiscal year are somewhat tentative. Estimated receipts for FY2017 are expected to remain close to historical levels $7.1M.

Departmental Receipts

Revenues derived from service fees and fines collected by various City Departments were down by 2.6% through the third quarter of FY2016 and were trailing original budget estimates. Year to date results suggest revenue shortfalls of $0.7M in City Court fines and while Building Division permit fees are projected to finish the year slightly higher, revised estimates are still trailing budget by over $0.6M. EMS billing revenues had also seen year over year declines through the end of the third quarter. 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 $9.0M which is $0.4M higher than revised estimates for FY2016. EMS billing revenues following the implementation of a new collections contract are expected to total $9.6M in FY2017 for an increase of $0.9M over current year estimated. City Court revenues have fallen in the two previous fiscal years with the elimination of a number of fees but are expected to stabilize at a lower level of approximately $3.0M, or in line with revised estimates for FY2016. With the final court

decision invalidating the City's current ordinance for red light camera enforcement, revenues that had been deposited in escrow were in the process of being refunded in FY2016. 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 proposed FY2017 general fund budget totals $511.1M, an increase of 3.7% from the current fiscal year. After adjusting for the estimated $10.1M in costs associated with the 27th pay period (a quirk in the fiscal calendar related to biweekly pay schedules which happens every eleven years) the net increase in the base budget amounts to 1.6%. 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 FY2017 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 decrease of 9 positions. The City's maintains a biweekly payroll, meaning in most any given fiscal year (July 1 to June 30) there will be 26 pay days. However in FY2017 there will be 27, a quirk of the biweekly schedule that occurs every 11 years. Funds for the "27th Pay" are set aside each year in a reserve for this purpose. The FY2017 budget includes the costs of this extra pay day at a cost of approximately $10.1M with funds to be drawn from the 27th Pay Reserve. Subsequent years will revert back to 26 pays with contributions toward rebuilding the reserve to resume for the next cycle. In the current fiscal year, most non-uniformed City employees were placed in a new pay matrix. This matrix provides that on an anniversary date of hire, each employee will be eligible for a merit pay increase of 1.5%. On an annualized basis, the total costs for this increase will amount to $2.5M in the General Fund. It is anticipated that uniformed fire and police employees will receive a combination of pay increases consisting of matrix step increases and a $2,000 across-the-board increase. The annualized costs of these increases will total $3.8M for Police and $1.3M for Fire uniformed employees respectively.

Uniformed employees will also continue to be eligible for $1,000 in fitness incentives. Following earlier pension reform efforts and improving market conditions, City pension costs in the last two fiscal years have posted declines. However, FY2017 will see an increase in these costs as overall pension contributions will rise by $2.8M. In the Firefighter pension systems, costs will rise by a total of $4.4M, consisting of a $1.7M increase to the new FRP plan which saw an adjustment to its valuation in the past year and a $2.7M increase to the old FRS plan which has made adjustments to assumptions following a recent experience study. Police pension costs will rise by about $300,000. The general City plan of ERS, which also conducted an experience study in the past year, will see the cost of contributions go down by $1.8M. Meanwhile, the cost of employee health insurance premiums which rose over 8% in the previous year will moderate in FY2017 rising by less than 1% with a budgetary impact of approximately $200,000. The FY2017 budget continues an effort begun in the past couple of years 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 $6.3M has been budgeted to address these costs in the general fund for an increase of $0.7M. 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 are intended as steps toward cost containment, the rising cost of pay and benefits, and particularly pension costs, will remain a factor in the City's ability to maintain the workforce necessary for meeting its service priorities.

Police and Public Safety

The Police Department and other departments of Public Safety represent about 56% of the total general fund budget. The Police Department at $163.5M 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 $3.4M for increases in pay for uniformed employees of the department, including fitness incentives. As in the current fiscal year, a total of $1.9M has been budgeted to address various fleet and equipment needs. The newly approved G.O. bond issue will provide $2.2M for the relocated property custody unit of the Department. This unit, previously located in the old Police headquarters building, was not included in the move to the new headquarters in the previous fiscal year. The Department's overall uniformed strength will remain relatively unchanged in FY2017 at a total of 1,292 officers. This total includes trainee positions that prior to the current fiscal year were 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 supplemented with $345,000 budgeted in the Police Unit of the Department of Personnel. The Park Ranger unit of the Police Department will see an increase of $0.3 million to fund an additional 5 park ranger positions. FY2017 will mark the second year of funding for the

new Civilian Review Board. The Board, established by ordinance, is an effort to ensure the continued confidence and working relationships between the Police Department and the community it serves. The FY2017 budget includes $312,000 for the office as a separate division in the Department of Public Safety. Meanwhile, strategic law enforcement is only one facet of numerous City initiatives to reduce crime and promote long-term neighborhood stability. Efforts to enhance job training, education and social service programs are all highlighted in the recently released PIER plan and to some extent will touch upon other areas of the budget.

In the City's Fire Department, total uniform strength 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. It is also anticipated that the City funds will continue to be supplemented with a new cycle of grant funding. The hiring grant, known as SAFER, can be expected to provide up to $2.5M over the next two years in supporting the retention of 20 firefighter positions in the department. The budget provides for pay increases and wellness incentives similar to the Police Department totaling $1.7M and as staffing drops below authorized levels, assumes funding for recruit classes to minimize vacancies and keep overtime expenditures under control. Pension costs for the department which had fallen significantly following pension reform efforts in recent years will rise by $4.4M in FY2017. This increase is comprised of a $1.7M increase to the new plan (FRP) following actuarial adjustments in the current year and a $2.7M increase to the old frozen plan (FRS) as a result assumption changes following the most recent experience study.

In other areas of the Department of Public Safety, the Division of Corrections has seen its average inmate population hold steady in the current fiscal year at about 1,320. This is slightly higher than the previous fiscal year but remains a few hundred below levels of two and three years ago. 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 these previous year totals. While staffing levels at the two facilities will remain the same, Corrections will see a decline in budgeted costs of approximately $0.2M in contractual services primarily related to the provision of inmate medical services due to the lower census.

Judicial Offices and County Offices

In the Judicial Offices, a reduction of five positions in the Sheriff's office coupled with reduced salary costs in the Juvenile Division will result in a net decrease of approximately $500,000. This decrease will be offset with a couple of increases elsewhere within the Courts. The Circuit Drug Court budget of $527,000 will be funded entirely from the general fund. This is an increase of $290,000 over the previous year where a portion of this cost had funded through special crime prevention funds. Also, beginning in

January of 2017, the previously elective office of the Public Administrator will become an appointed one under the Judicial Circuit Court. Traditionally, the office which handles estates and guardianships has been strictly a fee office with no City subsidy. However, an increasing amount of its business has been coming from guardianships for clients with mental health issues with little or no offsetting fee revenue. Upon the transition, the City will subsidize the Public Administrator position and provide a $40,000 subsidy to the office to supplement the Public Administrator function. Revenues generated by the Public Administrator will be deposited into a special fund and will continue to serve as the majority of the funding for the office. In the County Offices, the Board Of Elections will see an increase of about $950,000 related to the full year of elections in the coming fiscal year. These include both the state primary and presidential elections in August and November as well as the municipal primary and general election in March and April of 2017. The Board will also be charged with reviewing signatures for a variety of initiative petitions which vary in number from year to year.

City Wide Accounts

City Wide Accounts refers to those items that are not department specific. These include payments for debt service on the outstanding debt of the City's convention center as well as payments to the Capital fund for other existing lease debt obligations. In the non-departmental City Wide Accounts budget, unemployment costs which have been trending down in the past couple of years are budgeted at $700,000 or $125,000 lower than the current year. The subsidy to the Assessor's office will increase by $300,000 as the prior year utilized a balance in that fund as well as to cover the cost of the 27th pay and other increases contained in that budget. The payment to the CVC for asset capital maintenance of the convention center will increase by $695,000. This is to restore funding to the level it was prior to allocating funds for debt service on recent HVAC and lighting system upgrades to the facility. Debt service costs in FY2017 will include a $1.5M payment representing the City's annual share of the NGA financing agreement. Payments on debt service for the Carnahan Courthouse will decline by $1.6M as a result of savings realized by a refinancing of the debt. Total City Wide debt payments will amount to $33.2 million, a decline of $2.8M, part of which is the result of reallocating $1.4M in Ward Capital funds to pay for City wide capital obligations and thereby offsetting the amount of general fund payments to the Capital Fund.

Parks Department

One of the ongoing concerns facing the Forestry Division in coming years will be addressing the arrival of the emerald ash borer. This insect, which has been devastating the population of ash trees in the eastern part of the country, has been confirmed in the St. Louis area. It is estimated that 18% of the City's tree canopy is comprised of ash trees. A combination of treatment and removal tactics will be employed in the coming years starting with an initial allocation of $529,000 from City wide capital funds. Elsewhere in the

Parks Department, the Recreation Division will see an increase of about $50,000 in per performance life guard costs related to the recent reopening of the pool at the Marquette recreation center. 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

Following a major restocking of the Street Division's salt inventory following the severe winter season of two years ago, the Street Division has experienced two relatively mild winter seasons in succession. The FY2017 proposes an allocation of approximately $350,000, an increase of $40,000, to replace amounts used in the prior year and maintain a total salt inventory of close 30,000 tons to meet next season's needs. The Towing Division will see a net increase of one position, as the Division adds clerical staff to handle incoming calls and customer service issues while reassigning towing positions to the field. The Refuse Division will see a reconfiguration of routes due to the planned relocation of its north garage to a new centralized facility on Central Industrial Drive. The relocation is planned for late fall of 2016 and will result in the reduction of five vacant positions. The annualized savings of about $240,000 from these reductions is being used to help offset the cost of financing the new facility. In 2012, the Refuse Division budget allocated $500,000 for a lease purchase of new refuse trucks. With the final payment on that debt concluded in the current fiscal year, going forward the $500,000 will be allocated toward payment of the debt for the new Refuse garage facility.

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 Facilities Management, the cost of the City's sewer bill is expected to rise by $200,000 offset for the most part by other utility accounts which have been tracking under budget for the year. The Equipment Services Division (ESD) budget reflects the pending consolidation of its North Refuse Garage and Fire Equipment Repair operation currently provided via contract by Metro. The new location on Central Industrial Drive is more centrally located and as previously discussed will offer opportunities for efficiencies particularly within the Refuse Division. With

the anticipation of the relocation to the new facility in November, the ESD budget contains the addition of $0.6 million in per performance labor and $0.3 million in supplies and supporting accounts to reflect the seven months or so of operation that will follow the return of in-house of fire engine maintenance. The amount budgeted for the partial year of Metro contract work will likewise decline by nearly half or $0.7 million. While there will be ultimately be some benefit to replacing a limited number of fire and EMS vehicles as contemplated by the newly approved $25M G.O. bond issue, the overall age of the City's fleet continues to rise and repair demands and costs will continue to be a challenge for a limited ESD budget. One of the benefits of the declining cost of a barrel of oil in the past year has been the reduced costs of fueling the City's fleet vehicles. Based on projections over the next twelve months, the budget contains a reduction of $1.5 million to reflect this lower fuel cost environment. As in recent years, the cost of fuel has been allocated and is contained in the budgets of the various user departments.

General Government and Finance

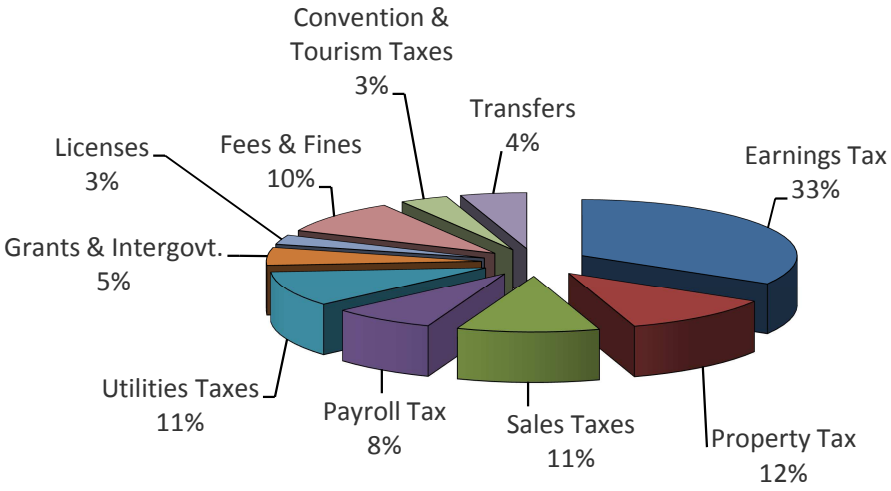
Administrative offices in City government for the most part will see budgets with little or no increase for the most part with any increases restricted to pay and benefit costs as previously discussed.

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.

FY2017 General Fund Budget Highlights

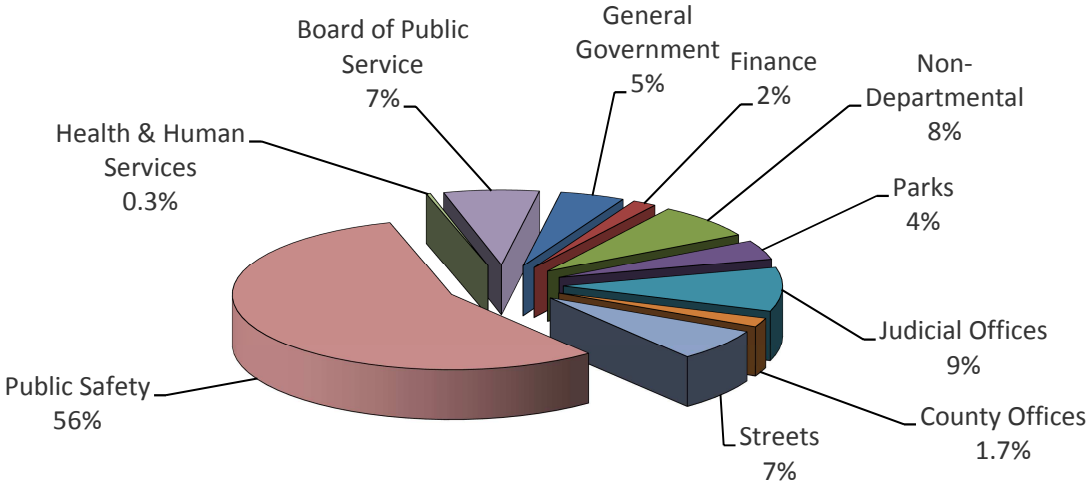
- $3.7M increase for full year general fund impact of prior year pay increases for City employees plus $4.7M for matrix step and other increases for uniformed Police and firefighters
- Police Dept. uniform strength to remain virtually unchanged at 1,292 officers; Overtime increase at $1.9M
- Fire Pension system contributions to increase $4.4M ($1.7M to new FRP plan and $2.7M to old FRS plan) following valuation and assumption adjustments.
- Employee Retirement System contributions to decline $1.8M and Police Retirement System to increase $0.3M respectively
- $10.1M increase related to cost of 27th Pay; a byproduct of biweekly payroll that occurs every 11 years; to be funded through a draw from the 27th pay reserve fund.
- $1.5M as City's obligation under NGA relocation financing agreement.
- $0.7M increase in City Wide Accounts for asset preservation payments for Convention Center
- $1.6M in reduced debt costs due to refinancing of Carnahan Courthouse debts
- $1.1M increase in Worker's Compensation costs to reflect actual trends and continued initiative to reduce costs by 5%
- $1.5M reduction in allocated fuel costs across all departments
- $0.9M increase in costs of the Election Board due to scheduled state primary, presidential and municipal elections
- $115,000 in general fund appropriation for Public Administrator's Office which shall become appointed by Courts beginning January 1, 2017
- $0.3M decrease in Refuse Division as part of new consolidation of its North Refuse Garage to a new centralized location
- $0.3M decrease in contractual medical and salary costs of Corrections Division due to lower census
- $0.3M increase for 5 additional Park Ranger positions
- $0.3M net increase in Equipment Services Division budget with mid-year move to new garage facility and in-house resumption of Fire engine maintenance
- Net decrease of 9 positions in the general fund

FY2017 General Fund Revenues



Total General Fund Revenues = $511.1 Million

FY2017 General Fund Budget by Department



Total General Fund Budget = $511.1 Million

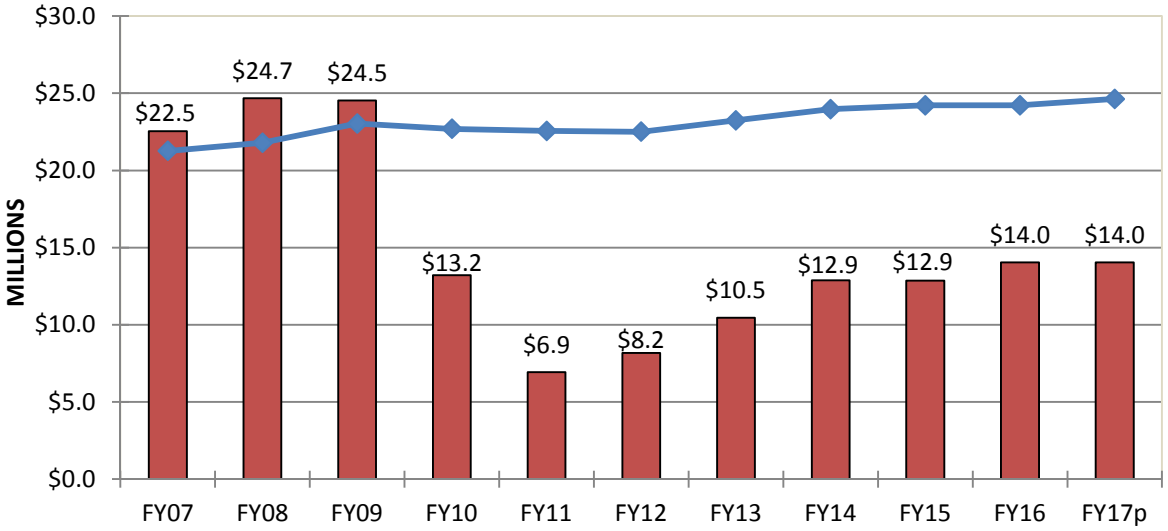
PROJECTED OPERATING RESULTS

GENERAL FUND

The adjacent table presents the projected general fund operating results for FY2017. The proposed general fund appropriation is balanced at $511.1M and does not rely on any draws from the unreserved general fund balance. Due to budget shortfalls in the last recession, the unreserved balance fell below its target amount of 5% of the budget. Since that time the fund balance has made a slow recovery although it remains well below its target of 5% of the budget. A low unreserved balance makes the budget particularly susceptible to economic downturns. Previous policy provided 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. Approximately $1.1 million was added to the fund balance at the end of the prior fiscal year. The FY2017 budget suspends the allocation of any prior year surpluses to capital until the unreserved balance reaches its target amount.

FY2017 **General Fund Projected Operating Results**	
Estimated Revenue	$511,078,443
General Fund Appropriation	$511,073,410
Operating Balance	$ 5,033

UNRESERVED GENERAL FUND BALANCES



Derived from Comptroller's Annual Reports; FY17 prelim

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 2.4% through the end of March, 2016 and were expected to finish the year down by approximately $0.8M to a total of $29.5M. It is estimated that total deposits to the **Local Use Tax Fund** will remain flat at $29.5M in FY2017. 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 FY2017, factoring in the projected revenue as well as a decline in the appropriation of beginning balances from the prior year, total appropriations in the Local Use tax fund will fall by $1.8M. The costs of the Assessor's office reflecting payroll cost increases discussed earlier will rise by about $230,000 to a total of $4.6M. 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 FY2017 is budgeted at $1.95M, an increase of $300,000 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 13.6% while **Building Demolition Funds** had fallen 2.4% 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 FY2017, 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 $1.7M will remain in the demolition fund at year's end. In FY2017, **Gaming Fund** revenues are projected to total $6.7M 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 6% through the fiscal third quarter. Though showing some stabilization in recent months, receipts are projected to remain at or slightly below current levels in the coming fiscal year. Despite this decline, the total Gaming Fund appropriation for FY2017 will decrease by only $0.1M, with a portion of the appropriation coming from an existing balance in the fund.

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. Previous years' increases in water rates have improved the revenue outlook although overall revenues are expected to fall about 3% in the

coming fiscal year. The budget for the Water Division in FY2017 will decrease by $1.1M or 2.0%. 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 $170.7M is an increase of $1.9M or 1.1%. The Airport budget reflects a net decrease of 1 position in addition to 4 more cut during the current fiscal year 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 also include an estimated $1.3M in projected beginning balances. These tax revenues will be supplemented with $1.1M from the ½ share of the prior year general fund operating surplus and $1.5M in unused prior year appropriations.

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 $283M. These projects will be funded through a combination of local, state and federal funds. Over the five year period, an estimated $204M 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. In FY2017, the Capital Improvements Budget will total $42.3M. This is a decrease of $1.5M from the previous 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, $1.3M in courthouse restoration fees, $630,000 in gasoline tax revenue and $500,000 in projected proceeds from the sale of miscellaneous City assets.
As discussed previously in this document, these Capital Improvement funds will be supplemented by the issuance of a new $25M General Obligation bond issue in the coming fiscal year.

The Capital expenditures planned for FY2017 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 - $8.4M

Each of the City's 28 wards will be allocated $300,000 in ½ cent sales tax revenues. As previously indicated, this amount reflects 85% of the usual allocation of these sales tax proceeds, with balance being used to offset other City wide capital costs. The total allocation to the Ward accounts includes approximately $7.9 million in estimated sales tax receipts in the coming fiscal year as well as about $0.5 million in surplus receipts received in the current fiscal year. These funds will be allocated for projects such as neighborhood park improvements, street resurfacing, sidewalk replacement, and refuse container replacement. Actual projects are recommended by the ward alderman subject to approval by the Board of Estimate and Apportionment.

Parks and Recreation Centers - $8.8M

The City's six major parks, Forest Park, Tower Grove, Carondelet, Fairgrounds, O'Fallon and Willmore and various neighborhood parks will share in $3.2M in ½ cent sales tax and $5.0M 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. Recreation Center improvements from ½ cent sales tax proceeds will total approximately $0.6M.

Facility Improvements - $17.9M

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 FY2017, a few of the notable projects include $1.4M for debt service payments on a new Refuse/Fire garage facility, $428,000 for servicing a new Energy Conservation loan known as QECB, $250,000 as the City's match share of a CMAQ traffic mitigation project, $1.0M for repair of locking mechanisms at the City's Juvenile Detention Center and $529,000 for Ash tree removals as part of a multi-year effort to address the emerging emerald ash borer problem.

Equipment Replacement - $3.9M

$3.9M 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. No new rolling stock lease purchase agreements are anticipated in FY2017.

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.

FY17 REVENUE SUMMARY - ALL FUNDS (in millions)

	FY15 Actual	FY16 Revised	FY17 Budget	% Change FY16-17
General Fund				
Earnings Tax	$160.7	$167.2	$171.2	2.4%
Property Tax	57.5	58.3	59.2	1.5%
Sales Tax	54.2	54.5	54.6	0.2%
Payroll Tax	38.0	38.7	39.6	2.4%
Franchise (Utilities) Taxes	52.1	51.3	52.6	2.5%
License Fees	15.7	15.3	13.9	-9.3%
Grants & Intergovernmental Revenues	25.8	27.0	26.3	-2.5%
Department User Fees and Fines	50.6	48.6	49.6	2.1%
Transfers	34.6	32.7	44.0	34.6%
	489.2	493.6	511.1	3.5%
Special Revenue Funds				
Property Tax	2.1	2.1	2.1	0.0%
Franchise (Utilities) Taxes	6.1	6.0	6.1	2.0%
Local Use Tax	30.3	29.5	29.5	0.0%
Sales Tax	24.5	24.6	24.7	0.2%
Other Taxes	17.7	18.8	19.2	1.7%
Grants & Intergovernmental Revenues	59.0	67.4	65.2	-3.3%
Department User Fees and Fines	25.1	26.2	27.6	5.3%
Transfers	1.5	3.3	3.6	9.2%
Fund Balances and Other Resources	3.9	3.9	3.9	0.0%
	170.2	181.9	181.9	0.0%
Debt Service Fund				
Property Tax	6.7	4.8	4.4	-7.9%
Capital Improvement Funds				
1/2 Cent Sales Tax	19.7	19.8	19.9	0.2%
Metro Parks Sales Tax- 1/10	1.8	1.8	1.8	0.2%
Metro Parks Sales Tax- 3/16	2.7	2.7	2.7	0.2%
Grants & Intergovernmental Revenues	0.6	0.6	0.6	0.0%
Department User Fees and Fines	1.2	1.5	1.3	-16.7%
Transfers	14.4	14.5	10.7	-26.3%
Other Resources	0.4	1.3	4.0	206.9%
Balances / Surpluses Previous Years	2.2	2.6	1.3	-49.9%
	43.0	44.9	42.3	-5.7%
Enterprise Funds				
Franchise (Utilities) Taxes	5.0	5.0	4.9	-1.2%
Enterprise Revenues	232.2	236.3	230.9	-2.3%
	237.2	241.3	235.9	-2.2%
Internal Service Funds				
Department User Fees and Fines	43.8	58.8	71.8	22.1%
Equipment Services Fuel Fund	5.6	3.8	3.6	-6.1%
Total General Appropriation	**$995.6**	**$1029.1**	**$1050.9**	**2.1%**
Funds Appropriated Separately				
Community Development & Housing Grants[1]	$10.7	$15.2	$16.3	7.8%
Street Improvement Fund	5.3	5.5	5.5	0.0%
Transportation Fund Revenues	40.4	33.1	33.2	0.3%
Parking Division Revenues	25.4	17.5	16.7	-4.9%
	81.7	71.3	71.7	0.6%
Total All Sources	**$1077.4**	**$1100.4**	**$1122.6**	**2.0%**

[1] *Excluding CDBG in general appropriations*

FY17 BUDGET SUMMARY - ALL FUNDS (in millions)

	FY15 Actual	FY16 Budget	FY17 Budget	% Change FY16-17
General Fund	$487.4	$492.6	$511.1	3.7%
Special Revenue Funds				
Assessment Fund	4.3	4.3	4.6	5.3%
Convention and Tourism Fund	6.0	5.8	6.4	11.5%
Public Safety Trust Fund	22.7	22.2	23.6	6.3%
Neighborhood Parks Fund	7.8	9.2	8.9	-3.1%
Convention and Sport Facility Trust Fund	9.1	8.5	9.0	5.8%
Lateral Sewer Fund	2.5	2.6	2.6	0.7%
Cable Communications Fund	0.9	0.9	0.9	-0.3%
Port Authority	2.0	1.3	1.3	4.4%
Riverfront Gaming Fund	2.8	7.2	7.1	-1.2%
Local Use Tax Fund	30.5	32.7	30.9	-5.6%
Other Special Revenue Funds	26.6	31.5	30.4	-3.4%
	115.2	126.3	125.8	-0.4%
Grant Funds				
St. Louis Agency on Training and Employment	7.0	4.0	4.3	5.4%
Community Development (excl. separate approp.)	6.5	6.3	6.3	0.8%
Health and Human Services	24.5	36.0	37.0	2.9%
Police Department	7.9	8.2	5.0	-38.5%
Other Grants	4.4	4.3	3.9	-7.9%
	50.3	58.8	56.6	-3.7%
Debt Service Fund	6.5	4.8	3.6	-25.2%
Capital Funds	36.5	43.8	42.3	-3.5%
Enterprise Funds				
Water Division	53.5	56.6	55.4	-2.0%
Airport Authority	180.9	168.9	170.5	0.9%
	234.4	225.5	226.0	0.2%
Internal Service Funds				
Mail Room	0.6	0.9	0.9	1.6%
Fuel Services	5.0	5.7	3.5	-38.1%
Employee Benefits Fund	43.2	58.2	71.2	22.3%
	48.8	64.8	75.6	16.7%
Other Agency Funds				
Inmate Fund	0.0	0.0	0.2	0.0%
Total General Appropriation	**$979.1**	**$1016.6**	**$1041.2**	**2.4%**
Funds Appropriated Separately				
Community Development & Housing Grants[1]	$10.7	$15.2	$16.3	7.8%
Street Improvement Fund	5.3	5.5	5.5	0.0%
Transportation Fund Revenues	40.4	33.1	33.2	0.3%
Parking Division Revenues	25.4	17.5	16.7	-4.9%
	81.7	71.3	71.7	0.6%
Total All Sources	**$1060.9**	**$1087.9**	**$1112.9**	**2.3%**

[1] *Excluding CDBG admin. portion*

FY17 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	3,125,728	-	-	-	3,125,728
120	Mayor's Office	1,912,388	180,604	-	-	2,092,992
121	St. Louis Agency on Training and Emp.	-	-	4,223,459	-	4,223,459
123	Department of Personnel	2,954,431	-	-	49,788	86,739,062
	Police Unit	1,132,884	-	-	-	-
	Employee Benefits Fund	-	71,201,959	-	-	-
	Employee Pension Trust Fund	-	11,400,000	-	-	-
124	Register	175,504	-	-	-	175,504
126	Civil Rights Enforcement Agency	338,496	-	244,609	-	583,105
127	Information Tech. Service Agency	6,030,224	144,000	-	-	6,174,224
137	Budget Division	463,466	-	-	-	463,466
139	City Counselor	5,844,655	575,900	820,208	-	9,138,804
	Police Unit	1,898,041	-	-	-	-
141	Planing and Urban Design	494,655	-	1,039,013	-	1,533,668
142	Comm. Development Administration	-	-	2,806,935	-	2,806,935
143	Affordable Housing Commission	-	4,713,244	-	-	4,713,244
	Subtotal	**24,370,472**	**88,215,707**	**9,134,224**	**49,788**	**121,770,191**
FINANCE						
160	Comptroller	6,608,998	-	-	101,701	13,219,980
	Gateway Transportation Ctr.	-	1,406,075	-	-	-
	Lateral Sewer Fund	-	60,712	-	-	-
	Tax Increment Financings	-	1,045,077	-	-	-
	Trustee Lease Fund	-	3,874,085	-	-	-
	Grant and Other Funds	-	-	123,332	-	-
162	Municipal Garage	326,952	-	-	-	326,952
163	Microfilm	315,521	-	-	-	315,521
170	Supply Commissioner	756,175	-	-	-	756,175
171	Multigraph	835,156	-	-	-	956,480
	Police Unit	121,324	-	-	-	-
172	Mail Room	-	878,357	-	-	878,357
180	Assessor	-	4,578,929	-	-	4,578,929
	Subtotal	**8,964,126**	**11,843,235**	**123,332**	**101,701**	**21,032,394**
NON-DEPARTMENTAL						
190	City Wide Accounts	38,625,773	-	-	-	49,440,773
	Convention and Tourism Fund	-	6,415,000	-	-	-
	Riverfront Gaming Fund	-	4,400,000	-	-	-
	Subtotal	**38,625,773**	**10,815,000**	-	-	**49,440,773**
PARKS, RECREATION & FORESTRY						
210	Dir. Parks, Recreation, and Forestry	687,818	8,758,217	-	-	9,446,035
213	Division of Recreation	1,648,670	-	300,947	-	1,949,617
214	Division of Forestry	8,766,811	259,411	-	-	9,026,222
215	Operation Brightside	-	-	299,164	-	299,164
220	Division of Parks	9,297,375	2,394,176	-	-	11,691,551
225	Soulard Market	228,932	-	-	-	228,932
250	Tower Grove Park	725,000	-	-	-	725,000
	Subtotal	**21,354,606**	**11,411,804**	**600,111**	-	**33,366,521**
JUDICIAL OFFICES						
311	Circuit Court	10,231,297	-	-	-	10,231,297
312	Circuit Attorney	7,694,652	2,551,958	932,274	-	11,178,884
313	Board of Jury Supervisors	-	-	-	-	-
315	Sheriff	9,414,763	-	271,819	-	9,686,582
316	City Courts	2,679,417	-	-	-	2,679,417
318	Public Administrator	115,463	144,669	-	-	260,132
320	Probation and Juvenile Detention	17,173,097	386,275	27,989	-	17,587,361
321	Circuit Drug Court	526,968	-	-	-	526,968
	Subtotal	**47,835,657**	**3,082,902**	**1,232,082**	-	**52,150,641**

FY17 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	-	8,991,000	-	-	8,991,000
333	Recorder of Deeds	2,848,127	-	-	-	2,848,127
334	Board of Election Commissioners	4,015,614	-	-	-	4,015,614
335	Medical Examiner	2,218,936	4,800	25,000	-	2,248,736
340	Treasurer	738,015	189,300	-	-	927,315
	Subtotal	**9,831,192**	**9,185,100**	**25,000**	-	**19,041,292**
PUBLIC UTILITIES						
401	Communications Division	-	933,805	-	-	933,805
415	Water Division	-	-	-	55,285,396	55,285,396
420	Airport Authority	-	-	-	170,521,529	170,521,529
	Subtotal	-	**933,805**	-	**225,806,925**	**226,740,730**
STREETS						
510	Director of Streets	1,267,809	-	-	-	3,561,967
	Lateral Sewer Fund	-	2,294,158	-	-	-
511	Traffic and Lighting	10,061,815	-	-	-	10,061,815
513	Auto Towing and Storage	1,853,290	-	-	-	1,853,290
514	Street Division	7,183,725	427,856	-	-	7,611,581
516	Refuse Division	15,180,232	987,760	310,000	-	16,477,992
520	Port Authority	-	1,316,000	-	-	1,316,000
	Subtotal	**35,546,871**	**5,025,774**	**310,000**	-	**40,882,645**
PUBLIC SAFETY						
610	Director of Public Safety	743,751	1,000,000	485,000	-	2,228,751
611	Fire Department	59,650,921	1,300,000	1,249,121	-	62,200,042
612	Firefighters' Pension Systems	10,806,997	5,500,000	-	-	16,306,997
614	Office of Special Events	194,379	-	-	-	194,379
616	Excise Commissioner	461,369	-	-	-	461,369
620	Building Commissioner	8,425,501	7,613,109	798,263	-	16,836,873
622	Neighborhood Stabilization	2,771,664	-	139,363	-	2,911,027
625	CEMA	203,012	-	180,304	-	383,316
632	Medium Security Institution	16,491,148	176,023	-	-	16,667,171
633	City Justice Center	23,562,034	-	-	-	23,562,034
635	Civilian Oversight Board	312,069	-	-	-	312,069
650	Police Department	131,105,495	21,738,081	5,029,004	-	161,529,480
	City Marshals	1,683,281	-	-	-	-
	Park Rangers	1,973,619	-	-	-	-
651	Police Retirement System	28,715,443	5,500,000	-	-	34,215,443
	Subtotal	**287,100,683**	**42,827,213**	**7,881,055**	-	**337,808,951**
HEALTH AND HOSPITALS						
700	Director, Health and Hospitals	-	306,000	-	-	306,000
710	Health Commissioner	-	1,782,214	554,341	-	2,336,555
711	Communicable Disease Control	-	1,993,977	12,351,090	-	14,345,067
714	Animal Care and Control	-	1,330,919	50,000	-	1,380,919
715	Environmental Health Services	-	1,502,256	469,571	-	1,971,827
719	Family/Community/School Health	-	1,180,228	335,963	-	1,516,191
737	Health Care Trust Fund	-	5,000,000	-	-	5,000,000
	Subtotal	**-**	**13,095,594**	**13,760,965**	**-**	**26,856,559**
HUMAN SERVICES						
800	Director of Human Services	1,546,891	805,461	23,534,452	-	25,886,804
	Subtotal	**1,546,891**	**805,461**	**23,534,452**	**-**	**25,886,804**
BOARD OF PUBLIC SERVICE						
900	President, Board of Public Service	2,762,044	700,187	-	-	3,462,231
903	Facilities Management	13,068,004	-	-	-	17,113,914
	Police Unit	4,045,910	-	-	-	-
910	Equipment Services Division	11,052,414	156,209	-	-	19,573,839
	Police Unit	4,840,876	-	-	-	-
	Fuel Services Fund	-	3,524,340	-	-	-
930	Soldier's Memorial	127,891	-	-	-	127,891
	Subtotal	**35,897,139**	**4,380,736**	-	-	**40,277,875**

FY17 BUDGET SUMMARY - ALL FUNDS BY DEPARTMENT

Dept. # Department	General Fund	Special Funds Revenue	Special Funds Grant	Enterprise Funds	Total Funds
CAPITAL IMPROVEMENTS FUND		42,301,217			42,301,217
DEBT SERVICE FUND		3,609,462			3,609,462
TOTAL BUDGET	**$511,073,410**	**$247,533,010**	**$56,601,221**	**$225,958,414**	**$1,041,166,055**

FY17 BUDGET SUMMARY - ALL DEPARTMENTS BY FUND

Fund	Dept. #	Department	FY15 Actual	FY16 Budget	FY17 Budget
General Fund					
1010	110	Board of Aldermen	2,892,555	3,082,762	3,125,728
1010	120	Mayor's Office	1,702,388	1,778,835	1,912,388
1010	123	Department of Personnel	2,494,805	2,906,073	2,954,431
1010	1230001	Department of Personnel- Police Unit	634,015	1,113,960	1,132,884
1010	124	Register	150,947	168,691	175,504
1010	126	Civil Rights Enforcement Agency	315,099	323,396	338,496
1010	127	Information Tech. Services Agency	5,358,953	5,741,056	6,030,224
1010	137	Division of the Budget	433,986	442,935	463,466
1010	139	City Counselor	5,573,241	5,652,313	5,844,655
1010	1390001	City Counselor- Police Unit	5,071,601	1,904,240	1,898,041
1010	141	PDA	502,689	508,733	494,655
1010	160	Comptroller	8,429,529	6,581,525	6,608,998
1010	160	Comptroller- Abram Building Operations	-	-	-
1010	162	Municipal Garage	333,033	346,552	326,952
1010	163	Microfilm Section	295,081	378,163	315,521
1010	170	Supply Commissioner	668,919	727,600	756,175
1010	171	Multigraph Section	719,341	776,402	835,156
1010	1710001	Multigraph Section- Police Unit	129,409	117,168	121,324
1010	190	City Wide Accounts	41,846,246	40,635,525	38,625,773
1010	210	Director, Parks, Recreation & Forestry	700,665	682,506	687,818
1010	213	Division of Recreation	1,388,882	1,414,425	1,648,670
1010	214	Division of Forestry	8,334,273	8,479,611	8,766,811
1010	220	Division of Parks	7,428,988	8,864,144	9,297,375
1010	225	Soulard Market	197,554	225,105	228,932
1010	250	Tower Grove Park	710,000	715,000	725,000
1010	311	Circuit Court (General)	7,848,987	10,056,242	10,231,297
1010	312	Circuit Attorney	7,374,231	7,351,895	7,694,652
1010	313	Board of Jury Supervisors (Cir. Judges)	1,321,489	-	-
1010	315	Sheriff	9,263,321	9,363,306	9,414,763
1010	316	City Courts	2,617,560	2,667,490	2,679,417
1010	318	Public Administrator	-	-	115,463
1010	320	Probation Dept. & Juvenile Detention Ctr	16,404,666	16,959,821	17,173,097
1010	321	Circuit Drug Court	137,945	237,138	526,968
1010	330	Tax Equalization Board	5,369	10,500	10,500
1010	333	Recorder of Deeds	2,576,135	2,782,689	2,848,127
1010	334	Election and Registration	3,294,980	2,942,681	4,015,614
1010	335	Medical Examiner	1,992,525	2,137,931	2,218,936
1010	340	Treasurer	733,975	736,974	738,015
1010	510	Director of Streets	1,218,379	1,300,041	1,267,809
1010	511	Traffic and Lighting Division	9,843,653	9,946,983	10,061,815
1010	513	Auto Towing and Storage	1,820,261	1,786,863	1,853,290
1010	514	Street Division	9,703,782	6,960,406	7,183,725
1010	516	Refuse Division	15,427,582	15,235,749	15,180,232
1010	610	Director of Public Safety	774,339	787,130	743,751
1010	611	Fire Department	57,046,074	56,899,624	59,650,921
1010	612	Firefighters' Pension Systems	9,142,269	6,933,835	10,806,997
1010	614	Office of Special Events	184,399	185,270	194,379
1010	616	Excise Commissioner	448,324	452,782	461,369
1010	620	Building Commissioner	7,970,548	8,268,788	8,425,501
1010	622	Neighborhood Stabilization	2,558,351	2,706,254	2,771,664
1010	625	CEMA	306,773	170,414	203,012
1010	632	Corrections / MSI	14,900,843	16,311,303	16,491,148

FY17 BUDGET SUMMARY - ALL DEPARTMENTS BY FUND

Fund	Dept. #	Department	FY15 Actual	FY16 Budget	FY17 Budget
1010	633	City Justice Center	21,671,794	22,941,005	23,562,034
1010	635	Civilian Oversight Board	-	293,997	312,069
1010	650	Police Department	119,696,028	124,432,451	131,105,495
1010	6500001	Police Department- City Marshals	1,185,814	1,703,569	1,683,281
1010	6500002	Police Department- Park Rangers	1,418,561	1,603,984	1,973,619
1010	651	Police Pension Fund	30,247,034	28,463,503	28,715,443
1010	800	Director of Human Services	1,360,676	1,488,571	1,546,891
1010	900	President, Board of Public Service	2,560,156	2,685,568	2,762,044
1010	903	Facilities Management	10,333,128	12,995,053	13,068,004
1010	9030001	Facilities Management- Police Unit	3,334,161	4,105,198	4,045,910
1010	910	Equipment Services Division	10,039,851	10,488,840	11,052,414
1010	9100001	Equipment Services Division- Police Unit	4,225,824	4,523,102	4,840,876
1010	930	Soldier's Memorial Building	127,610	144,738	127,891
		Subtotal	**487,429,596**	**492,628,408**	**511,073,410**
Local Use Tax Fund					
1110	123	Department of Personnel	110,118	-	-
1110	143	Affordable Housing Commission	4,134,603	5,083,549	4,713,244
1110	516	Refuse Division - Bulky Pick-up	548,541	728,493	742,123
1110	620	Bldg. Comm. - Housing Conservation	2,283,374	2,190,336	2,237,683
1110	620	Bldg. Comm. - Building Demolition	913,855	1,500,000	1,500,000
1110	650	Police Department	10,232,000	9,738,000	8,538,000
1110	700	Director, Health & Hospitals	1,560,410	1,663,910	-
1110	710	Health Commissioner	296,191	316,710	1,782,214
1110	711	Communicable Disease Control	1,643,802	2,089,119	1,993,977
1110	714	Animal Care and Control	1,178,788	1,336,151	1,270,919
1110	715	Environmental Health Services	1,463,239	1,589,721	1,502,256
1110	719	Family / Community / School Health	817,443	1,116,370	1,151,859
1110	737	Health Care Trust Fund	5,000,000	5,000,000	5,000,000
1110	800	Director of Human Services	327,482	353,142	436,461
1110	900	President, Board of Public Service	-	-	-
		Subtotal	**30,509,846**	**32,705,501**	**30,868,736**
Convention and Tourism Fund					
1111	160	Convention and Tourism	5,988,570	5,755,000	6,415,000
		Subtotal	**5,988,570**	**5,755,000**	**6,415,000**
Convention and Sports Authority Trust Fund					
1111	331	Convention & Sports Facility Trust	9,078,441	8,500,000	8,991,000
		Subtotal	**9,078,441**	**8,500,000**	**8,991,000**
Demolition Fund					
1113	214	Division of Forestry	-	-	-
1113	620	Bldg. Comm. - Bldg. Demolition	-	-	-
		Subtotal	**-**	**-**	**-**
Assessment Fund					
1115	180	Assessor	4,297,659	4,348,508	4,578,929
		Subtotal	**4,297,659**	**4,348,508**	**4,578,929**

FY17 BUDGET SUMMARY - ALL DEPARTMENTS BY FUND

Fund	Dept. #	Department	FY15 Actual	FY16 Budget	FY17 Budget
Special Revenue Funds					
1116	1200006	Mayor's Office	-	144,533	180,604
1116	1231000	City Employees Pension Trust Fund	13,500,000	13,500,000	11,400,000
1116	127	Information Tech. Services Agency	-	200,000	144,000
1116	139	City Counselor	242,485	283,125	280,796
1116	1600019	Comptroller-Gateway Transportation	1,296,669	1,394,912	1,406,075
1116	1601001	Comptroller- Big Brothers & Big Sisters	-	-	-
1116	1601002	Comptroller- The BackStoppers Inc.	-	-	-
1116	210	Director PRF - Forest Park Fund	596,713	1,450,000	1,450,000
1116	2100003	Director PRF - Forest Park Maint.	488,223	610,000	610,000
1116	2100006	Director PRF - Lafayette Square Park	-	17,845	17,845
1116	214	Division of Forestry	204,593	253,101	259,411
1116	220	Division of Parks- Forest Park Maintenance Fund	-	126,013	125,238
1116	2200011	Division of Parks- Downtown Vending	7,014	7,500	7,500
1116	312	Circuit Attorney (Inspire Me School)	-	-	-
1116	312	Circuit Attorney (Training Fund)	1,432	2,500	3,600
1116	312	Circuit Attorney (Tax Unit)	124,912	175,876	178,312
1116	312	Circuit Attorney (Child Support Unit)	1,571,982	1,856,832	1,788,783
1116	312	Circuit Attorney (HUD Unit)	72,065	74,454	76,246
1116	312	Circuit Attorney (Dept. of Labor)	51,530	62,427	62,527
1116	316	City Court Judicial Education Fund	-	-	-
1116	318	Public Administrator	-	-	144,669
1116	320	Probation Dept. & Juvenile Detention	374,614	431,604	386,275
1116	335	Medical Examiner - Indigent Burials	-	4,800	4,800
1116	340	Treasurer	-	-	189,300
1116	514	Street Div. - Excavation/Restoration	187,754	201,343	143,420
1116	516	Refuse Division	113,054	227,643	245,637
1116	520	Port Administration Division	1,242,648	1,260,000	1,316,000
1116	620	Bldg. Comm. - Code Enforcement	1,374,875	2,046,443	2,360,668
1116	620	Bldg. Comm. - Demolition & Board-Up	1,541,243	1,569,832	1,514,758
1116	650	Police Dept. - Peace Officer Training	183,740	135,000	100,000
1116	6500001	Police Dept. Special Revenue Fund	126,154	-	-
1116	6500006	Police Dept. Firearms	-	384,200	800,000
1116	700	Director, Health & Hospitals	182,210	306,000	306,000
1116	714	Animal Care and Control	47,584	60,000	60,000
1116	719	Family/Community/School Health	-	-	28,369
1116	800	Director of Human Services	67,500	120,000	369,000
1116	8100001	Director of Human Services	-	189,500	-
1116	900	President, Board of Public Service	2,050	709,765	700,187
1116	910	Equipment Services Division- Forest Park	-	141,321	156,209
1413	160	Tax Increment Financing	611,244	945,329	1,045,077
1218	160	Trustee Lease Fund	-	3,874,085	3,874,085
		Subtotal	**24,212,288**	**32,765,983**	**31,735,391**
Communications Fund					
1117	127	Information Tech. Services Agency	-	-	-
1117	401	Communications Division	917,125	936,425	933,805
		Subtotal	**917,125**	**936,425**	**933,805**
Lateral Sewer Fund					
1118	160	Comptroller - Lateral Sewer Line	61,060	61,213	60,712
1118	510	Director of Streets - Lateral Sewer	2,247,401	2,278,068	2,294,158
1118	514	Street Division	208,214	281,641	284,436
		Subtotal	**2,516,675**	**2,620,922**	**2,639,306**
Other Special Revenue Funds - Special Authorizations					
1119	126	CREA- Conference	4,485	-	-
1119	139	City Counselor	339,001	-	-
1119	210	Director PRF - Forest Park Fund	-	-	-

FY17 BUDGET SUMMARY - ALL DEPARTMENTS BY FUND

Fund	Dept. #	Department		FY15 Actual	FY16 Budget	FY17 Budget
1119	213	Division of Recreation		18,659	-	-
1119	214	Division of Forestry		5,995	-	-
1119	220	Division of Parks		74,847	-	-
1119	225	Soulard Market		2,346		
1119	312	Circuit Att. (Contingency & Tax Fund)		24,285	-	-
1119	315	Sheriff - Auction Proceeds		-	-	-
1119	320	Probation Dept. & Juvenile Detention		76,083	-	-
1119	321	Circuit Drug Court		-	-	-
1119	334	Election and Registration		383,829	-	-
1119	401	Communications Division		26,779	-	-
1119	511	Transportation and Traffic Division		70,880	-	-
1119	520	Port Administration Division		806,578	-	-
1119	611	Fire Department		(4,122)	-	-
1119	620	Building- Fire Insurance Recovery		1,189,880		
1119	632	Corrections/MSI		30,058	-	-
1119	650	Police Dept. - Police Judgements		1,310,825	-	-
1119	7000010	Director, Health & Hospitals		25,548	-	-
1119	711	Communicable Disease Control		2,470	-	-
1119	714	Animal Care and Control		6,216	-	-
1119	800	Director of Human Services		327	-	-
1119	930	Soldier's Memorial Building		4,873	-	-
			Subtotal	**4,399,842**	**-**	**-**
Public Safety Fund						
1120	139	City Counselor		302,081	290,036	295,104
1120	312	Circuit Attorney		448,339	527,036	442,490
1120	650	Police - Public Safety Trust Fund		2,427,938	2,181,000	2,300,000
			Subtotal	**3,178,358**	**2,998,072**	**3,037,594**
Riverboat Gaming Fund						
1121	190	City Wide - Riverfront Gaming		86,133	4,390,000	4,400,000
1121	611	Fire Dept. - Riverfront Gaming		24,999	25,000	25,000
1121	650	Police Dept. - Riverfront Gaming		2,680,614	2,800,000	2,700,000
			Subtotal	**2,791,746**	**7,215,000**	**7,125,000**
Parks and Recreation Special Fund						
1122	2100010	Dir. of Parks - 1/8 Cent Sales Tax		2,643,130	3,291,522	3,273,878
1122	2100012	Dir. of Parks- Parks and Rec Center		480,261	600,000	596,494
1122	2100014	Dir. of Parks - Neighborhood Parks		1,210,000	1,210,000	1,210,000
1122	2100020	Dir. of Parks - Neighborhood Parks		1,530,855	1,600,000	1,600,000
1122	2200010	Parks Division - Barnes/City Trust		1,969,874	2,529,139	2,261,438
			Subtotal	**7,834,120**	**9,230,661**	**8,941,810**
Public Safety Sales Tax Fund						
1123	320	Probation Dept. & Juvenile Detention		-	-	-
1123	321	Circuit Drug Court		177,218	-	-
1123	610	Public Safety-Crime Prevention		688,474	1,212,976	1,000,000
1123	6110023	Fire Department		1,150,000	1,050,000	1,275,000
1123	6120023	Fire - Public Safety Pension Trust		5,498,689	5,500,000	5,500,000
1123	6500023	Police Department		3,373,450	2,917,000	3,614,601
1123	6500123	Police Department		3,126,550	3,033,000	3,685,480
1123	6510023	Police - Public Safety Pension Trust		5,498,281	5,500,000	5,500,000
			Subtotal	**19,512,662**	**19,212,976**	**20,575,081**
Grant Funds						
1140	650	Police Department - Misc. Grants		5,747,080	7,042,606	4,399,535
			Subtotal	**5,747,080**	**7,042,606**	**4,399,535**
1142	650	Police Department - Asset Forfeiture		2,132,406	1,135,820	629,469
			Subtotal	**2,132,406**	**1,135,820**	**629,469**

FY17 BUDGET SUMMARY - ALL DEPARTMENTS BY FUND

Fund	Dept. #	Department	FY15 Actual	FY16 Budget	FY17 Budget
1162	121	SLATE	6,994,211	4,042,011	4,223,459
1162	160	Comptroller	38,773	-	37,780
		Subtotal	**7,032,984**	**4,042,011**	**4,261,239**
1163	141	Planning and Urban Design	-	-	-
1163	142	Comm. Development Administration	-	-	-
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	**-**	**-**	**-**
1164	141	Planning and Urban Design	7,556	-	-
1164	142	Comm. Development Administration	703,435	484,772	455,877
1164	620	Bldg. Commissioner	650,936	535,324	535,579
1164	700	Director, Health & Hospitals	-	-	-
1164	716	Lead Poisoning Control	76,879	-	-
1164	719	Family / Community / School Health	-	-	-
1164	900	President, Board of Public Service	-	-	-
		Subtotal	**1,438,806**	**1,020,096**	**991,456**
1165	139	City Counselor	407,210	740,593	747,136
1165	141	Planning and Urban Design	1,005,519	962,721	1,039,013
1165	142	Comm. Development Administration	2,213,836	2,225,708	2,351,058
1165	160	Comptroller	24,136	34,576	34,770
1165	213	Division of Recreation	337,015	303,448	300,947
1165	215	Operation Brightside	298,110	300,091	299,164
1165	316	City Courts - Problem Properties	19,974	-	-
1165	320	Probation Dept. & Juvenile Detention Center	164,019	-	-
1165	5146200	Street Division- Neighborhood Street Improv.	-	-	-
1165	620	Building Commissioner	241,005	264,176	262,684
1165	622	Neighborhood Stabilization - Grant	8,031	11,425	-
1165	800	Director of Human Services	310,846	416,000	300,000
1165	900	President, Board of Public Service	37,144	-	-
		Subtotal	**5,066,845**	**5,258,738**	**5,334,772**
1166	160	Comptroller - Health Grant Auditing	-	89,267	50,782
1166	700	Director, Health & Hospitals	867,724	1,039,117	-
1166	710	Health Commissioner	25,290	-	554,341
1166	711	Communicable Disease Control	8,730,459	12,323,448	12,351,090
1166	714	Animal Care and Control	-	50,000	50,000
1166	715	Environmental Health Services	30,360	200,090	469,571
1166	716	Lead Poisoning Control	-	-	-
1166	719	Family / Community / School Health	260,733	327,142	335,963
		Subtotal	**9,914,566**	**14,029,064**	**13,811,747**
1167	160	Comptroller	-	-	-
1167	632	Corrections/MSI	-	-	-
1167	800	Director of Human Services	14,535,936	21,976,286	23,234,452
		Subtotal	**14,535,936**	**21,976,286**	**23,234,452**
1168	124	Register	(2,035)	-	-
1168	1260800	CREA - EEOC Contract	28,331	49,846	49,276
1168	1260900	CREA-HUD Contract	214,846	199,081	119,099
1168	1260950	CREA- Housing Program	-	-	76,234
1168	160	Comptroller	-	-	-
1168	210	Director of Parks	-	-	-
1168	214	Division of Forestry	25,000	-	-

FY17 BUDGET SUMMARY - ALL DEPARTMENTS BY FUND

Fund	Dept. #	Department		FY15 Actual	FY16 Budget	FY17 Budget
1168	220	Division of Parks		-	-	-
1168	312	Circuit Att. - Domestic Violence		830,218	609,638	471,619
1168	315	Sheriff		250,138	281,447	271,819
1168	320	Probation Dept. & Juvenile Det. Cntr.		760,023	-	-
1168	321	Circuit Drug Court		386,974	-	-
1168	334	Election and Registration		45,007	-	-
1168	335	Medical Examiner		59,295	25,000	25,000
1168	516	Refuse Division - Recycling		-	310,000	310,000
1168	610	Director of Public Safety		-	-	-
1168	620	Building Commissioner		(8,923)	-	-
1168	900	President, Board of Public Service		165,456	-	-
			Subtotal	**2,754,330**	**1,475,012**	**1,323,047**
1169	139	City Counselor		-	69,152	73,072
1169	220	Division of Parks		-	-	-
1169	312	Circuit Att. (LLEBG/JAG/PSN)		-	505,237	460,655
1169	316	City Courts - Community Courts		-	-	-
1169	320	Probation Dept. & Juvenile Det. Cntr.		27,828	28,022	27,989
1169	321	Circuit Drug Court		-	-	-
1169	335	Medical Examiner		-	-	-
1169	610	Director of Public Safety		-	790,000	485,000
1169	611	Fire Department- SAFER Grant		742,222	1,096,070	1,249,121
1169	622	Neighborhood Stabilization - Grants		915,335	132,349	139,363
1169	625	City Emergency Management Agency		9,538	181,992	180,304
			Subtotal	**1,694,923**	**2,802,822**	**2,615,504**
			Subtotal	**50,317,876**	**58,782,455**	**56,601,221**
Capital Funds						
1217	160	Capital Improv. - Regular Sources		16,498,725	17,377,517	16,590,250
1219	160	Metro Parks - Sales Tax		1,867,638	5,093,600	5,008,000
1220	160	Capital Improv. - Sales Tax		18,130,330	21,367,630	20,702,967
			Subtotal	**36,496,693**	**43,838,747**	**42,301,217**
Debt Service Fund						
1311	160	G.O. Debt Service (Public Safety)		6,468,569	4,823,937	3,609,462
			Subtotal	**6,468,569**	**4,823,937**	**3,609,462**
Enterprise Funds						
1510	415	Water Division		53,509,830	56,568,867	55,436,885
1511	420	City of St. Louis Airport Comm.		180,922,693	168,923,826	170,521,529
			Subtotal	**234,432,523**	**225,492,693**	**225,958,414**
Internal Service Funds						
1611	172	Mail Room		591,240	864,941	878,357
1612	910	Fuel Services Fund		4,955,531	5,689,950	3,524,340
1613	123	Personnel - Employee Benefits		7,161,977	9,827,855	13,903,392
1713	123	Personnel - Employee Benefits		36,055,348	48,411,056	57,298,567
1719	123	Personnel		-	-	-
1719	123	City Counselor		-	-	-
			Subtotal	**48,764,096**	**64,793,802**	**75,604,656**
Other Agency Funds						
1730	632	Inmate Fund		-	-	176,023
		Grand Total All Funds		**$979,146,685**	**$1,016,649,090**	**$1,041,166,055**

FY17 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	1115 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	**$14.000**	**$8.815**	**$0.317**	**$0.000**	**$0.015**	**$2.434**	**$0.005**	**$0.376**	**$0.023**	**$0.556**	**$1.320**	**$2.320**	**n/a**
Revenues													
Earnings Tax	171.177	-	-	-	-	-	-	-	-	-	-	-	
Property Tax	59.192	-	-	-	2.093	-	-	-	-	-	-	-	
Sales & Use Taxes	54.610	29.500	-	-	-	-	-	-	-	-	4.923	19.768	
Motor Vehicle Sales Tax	3.313	-	-	-	-	-	-	-	-	-	-	-	-
Gasoline Tax	8.450	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Tax	39.639	-	-	-	-	-	-	-	-	-	-	-	-
Franchise (Utilities) Taxes	52.619	-	-	-	-	-	3.440	2.690	-	-	-	-	-
Restaurant Taxes	3.302	-	6.122	-	-	-	-	-	-	-	-	-	-
3.5% Hotel Sales Tax	-	-	-	8.991	-	-	-	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
License Fees	13.878	-	-	-	-	-	-	-	2.993	-	-	-	-
Grants / Intergovernmental	14.522	-	-	-	0.436	-	-	-	-	6.700	-	-	5.029
User Fees, Fines & Other	49.007	-	-	-	0.089	26.316	-	-	-	-	-	-	-
Transfers In	41.369	-	-	-	1.950	0.500	-	-	-	-	1.600	-	-
Other Resources	0.000	0.025	-	-	-	-	-	-	-	-	2.000	-	-
Total Sources of Funds	**$511.078**	**$29.525**	**$6.122**	**$8.991**	**$4.568**	**$26.816**	**$3.440**	**$2.690**	**$2.993**	**$6.700**	**$8.523**	**$19.768**	**$5.029**
Appropriations													
Personal Services	382.463	18.090	-	-	3.988	7.160	0.867	0.728	3.019	2.700	2.530	10.896	4.165
Materials & Supplies	16.048	0.307	-	-	0.031	1.230	0.029	0.055	0.002	0.010	0.184	0.000	0.170
Rental & Non Capital Leases	3.096	0.177	-	-	0.005	0.040	0.002	0.052	0.008	0.010	0.005	0.000	-
Non Capital Equipment	0.655	0.001	-	-	0.000	0.091	0.004	0.000	0.000	0.000	0.000	0.000	0.105
Capital Assets	2.022	0.000	-	-	0.000	0.083	0.000	0.000	0.000	0.000	0.000	0.000	0.315
Contractual & Other Services	69.003	11.782	0.165	-	0.555	16.388	0.032	1.804	0.009	0.005	2.948	0.951	0.275
Debt Service	27.966	0.001	-	-	-	1.824	-	-	-	-	3.274	8.728	-
Transfers Out :													
Capital Lease Payments	6.272	-	-	-	-	-	-	-	-	-	-	-	-
Other Transfers Out	3.550	0.500	6.250	8.991	-	-	2.508	-	-	4.400	-	-	-
Total Uses of Funds	**$511.074**	**$30.858**	**$6.415**	**$8.991**	**$4.579**	**$26.816**	**$3.442**	**$2.639**	**$3.038**	**$7.125**	**$8.941**	**$20.575**	**$5.029**
Ending Fund Balance	**$14.005**	**$7.482**	**$0.024**	**$0.000**	**$0.004**	**$2.434**	**$0.003**	**$0.427**	**($0.022)**	**$0.131**	**$0.902**	**$1.513**	**$0.000**

FY17 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	1311 General Oblig. Debt Service	1413 Tax Increment Financing	1510 Water Division Enterprise Fund	1511 Airport Enterprise Fund	1611 Mail Internal Service Fund	1612 ESD Fuel Int. Service Fund	1713-30 Employee Health & Hospital Funds
Beginning Fund Balance	**n/a**	**n/a**	**n/a**	**$1.364**	**$3.744**	**$6.835**	**$0.000**	**$20.272**	**$110.382**	**$0.072**	**$0.000**	**$2.693**
Revenues												
Property Tax	-	-	-	-	-	3.609	-	-	-	-	-	-
Sales & Use Taxes	-	-	-	-	24.528	-	-	-	-	-	-	-
Motor Vehicle Sales Tax	-	-	-	0.750	-	-	-	-	-	-	-	-
Gasoline Tax	-	-	-	-	0.630	-	-	-	-	-	-	-
Franchise (Utility) Taxes	-	-	-	4.750	-	-	-	3.595	-	-	-	-
Other Taxes	-	-	-	-	-	-	1.045	-	-	-	-	-
License Fees	-	-	-	-	-	-	-	-	-	-	-	-
Enterprise Revenues	-	-	-	-	-	-	-	53.552	182.303	-	-	-
Grants / Intergovernmental	4.261	6.326	41.022	-	-	-	-	-	-	-	-	-
User Fees, Fines & Other	-	-	-	-	1.250	-	-	-	-	0.879	3.524	71.378
Transfers In	-	-	-	-	11.653	-	-	-	-	-	-	-
Other Resources	-	-	-	-	0.500	-	-	-	-	-	-	-
Total Sources of Funds	**$4.261**	**$6.326**	**$41.022**	**$5.500**	**$38.561**	**$3.609**	**$1.045**	**$57.147**	**$182.303**	**$0.879**	**$3.524**	**$71.378**
Appropriations												
Personal Services	3.534	5.154	7.457	2.085	1.300	-	0.840	24.344	41.493	0.376	-	0.642
Materials & Supplies	0.075	0.041	0.397	1.760	-	-	0.060	11.338	6.874	0.014	3.388	0.088
Rental & Non Capital Leases	0.209	0.264	0.046	0.029	-	-	-	0.244	0.133	0.009	-	0.013
Non Capital Equipment	0.000	0.000	0.125	0.008	-	-	0.060	0.105	0.159	-	0.011	0.018
Capital Assets	0.000	0.005	0.007	0.150	-	-	0.000	2.465	0.915	0.000	0.000	0.000
Contractual & Other Services	0.443	0.862	32.990	1.468	16.648	-	0.085	16.392	45.239	0.480	0.125	70.617
Debt Service	-	0.000	-	-	24.353	3.609	0.000	0.549	75.709	-	-	-
Transfers Out :												
Capital Lease Payments	-	-	-	-	-	-	-	-	-	-	-	-
Other Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
Total Uses of Funds	**$4.261**	**$6.326**	**$41.022**	**$5.500**	**$42.301**	**$3.609**	**$1.045**	**$55.437**	**$170.522**	**$0.879**	**$3.524**	**$71.378**
Ending Fund Balance	**$0.000**	**$0.000**	**$0.000**	**$1.365**	**$0.003**	**$6.835**	**$0.000**	**$21.982**	**$122.163**	**$0.072**	**$0.000**	**$2.693**

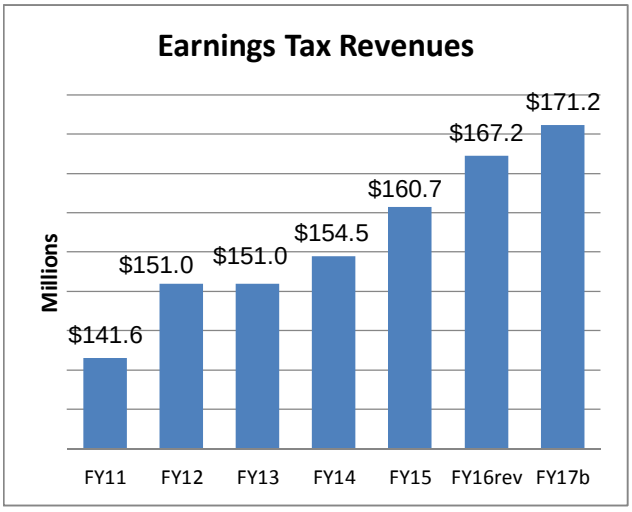
* CDBG funds and Street Improvement funds are appropriated on a calendar year basis and are under separate appropriating ordinances. Fund balances rollover and do not require reaappropriation.

CITY OF ST. LOUIS
GENERAL FUND REVENUE ESTIMATE

Revenue Category	Actual Receipts FY15	Revised Estimate FY16	Projected Receipts FY17	Percent Change
Earnings Tax	160,719,695	167,200,000	171,177,000	2.4%
Sales Taxes	54,196,916	54,510,000	54,610,000	0.2%
Property Tax	57,512,951	58,311,000	59,192,000	1.5%
Payroll Expense Tax	37,983,320	38,700,000	39,639,000	2.4%
Franchise / Utility Taxes:				
Electricity	31,760,734	33,100,000	34,093,000	3.0%
Natural Gas	8,314,170	6,459,000	6,785,000	5.0%
Water	4,971,724	4,967,000	4,907,000	-1.2%
Airport	6,426,200	6,366,000	6,398,000	0.5%
All Other franchise fees	604,113	424,300	436,000	2.8%
Subtotal	52,076,941	51,316,300	52,619,000	2.5%
Intergovernmental Revenues:				
Gasoline Tax	8,418,545	8,400,000	8,450,000	0.6%
Health Care Payments	6,985,001	5,980,000	6,300,000	5.4%
Prisoner Housing Reimbursement	5,147,660	7,200,000	6,000,000	-16.7%
Juvenile Detention Reimbursements	2,016,760	2,018,000	2,022,000	0.2%
Motor Vehicle Sales Tax	3,076,607	3,232,000	3,313,000	2.5%
Intangible Tax	127,495	138,000	200,000	44.9%
Subtotal	25,772,068	26,968,000	26,285,000	-2.5%
Licenses:				
Graduated Business License	7,065,863	7,065,000	7,065,000	0.0%
Cigarette Occupational License	1,779,123	1,800,000	1,800,000	0.0%
Sports and Amusement	1,984,575	1,588,150	175,000	-89.0%
Automobile	1,417,988	1,350,000	1,373,000	1.7%
Parking Garages and Lots	2,629,440	2,691,600	2,652,300	-1.5%
Other Licenses	781,232	804,385	812,400	1.0%
Subtotal	15,658,221	15,299,135	13,877,700	-9.3%
Departmental Revenues:				
Fines and Forfeits	4,534,458	3,679,375	3,687,450	0.2%
Building and Occupancy Permits	8,381,380	8,602,560	8,958,550	4.1%
Departmental User Fees & Other	37,679,636	36,333,400	37,002,350	1.8%
Subtotal	50,595,474	48,615,335	49,648,350	2.1%
Convention and Tourism Taxes:				
Hotel / Motel Gross Receipts [1]	9,078,441	8,815,000	8,991,000	2.0%
Restaurant Gross Receipts - 1 cent [1]	5,823,570	5,590,000	6,250,000	11.8%
Restaurant Gross Receipts - 1/2 cent	3,054,135	3,275,000	3,302,000	0.8%
Subtotal	17,956,146	17,680,000	18,543,000	4.9%
Transfers:				
27th Pay Reserve	0	0	10,100,000	
All other revenues and transfers	3,693,550	3,660,000	4,007,393	9.5%
Employee Pension Trust transfer	12,993,359	11,380,000	11,380,000	0.0%
Subtotal	16,686,909	15,040,000	25,487,393	69.5%
TOTAL GENERAL FUND REVENUES	**$489,158,641**	**$493,639,770**	**$511,078,443**	**3.5%**

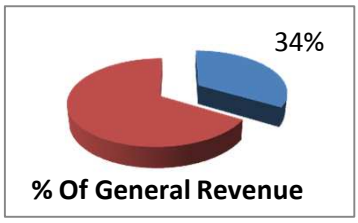
[1] Transfers from convention and sports facility trust fund and convention and tourism fund respectively

EARNINGS TAX



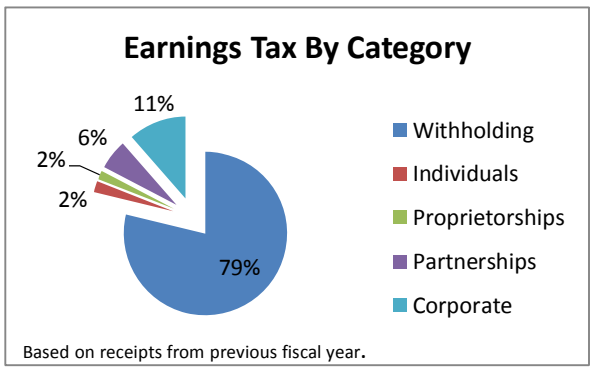
Definition

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	4.0%
3 Year	2.1%
5 Year	2.3%
10 Year	2.7%
FY16 (rev. est.)	4.0%
FY17 (budget)	2.4%



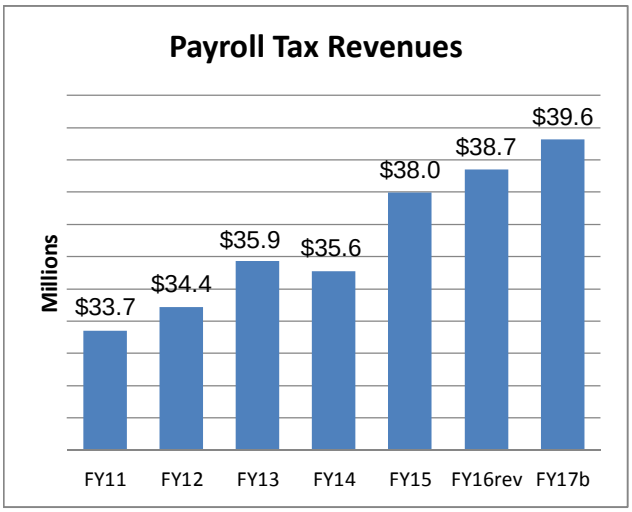
Discussion

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. The second of these retention votes was held at a special election in April, 2016 and retention was successfully passed with a 72% approval rate.

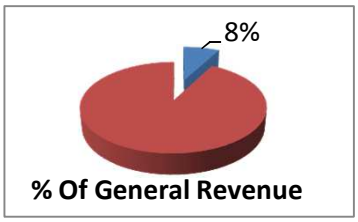
Earnings tax receipts in FY16 have risen 4.2% through the third quarter of the fiscal year. While year to date corporate receipts are up 4.4%, most corporate returns are received in the fourth quarter and thus can be subject to some variability. Individual withholdings are up a 4.2%. The estimate for FY17 assumes growth of 2.4% which brings estimates in line with the longer term growth trends.

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.



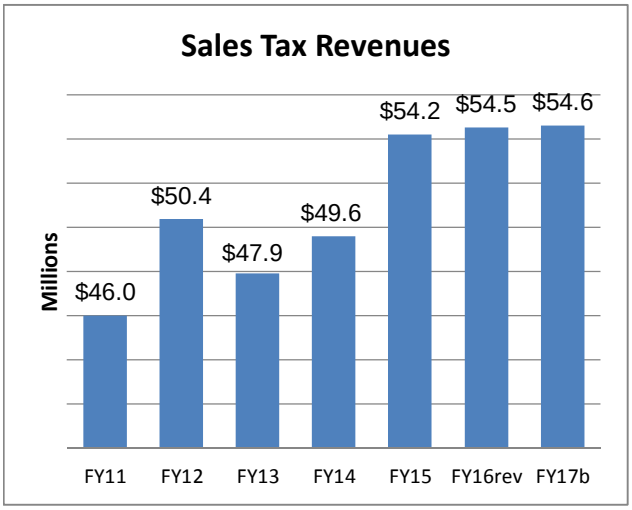
Not-for-profit charitable or civic organizations are exempt from the payroll expense tax.

Historical Growth Rates	
1 Year	6.8%
3 Year	3.3%
5 Year	2.9%
10 Year	1.9%
FY16 (rev. est.)	1.9%
FY17 (budget)	2.4%

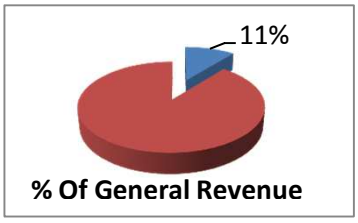
Discussion

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 FY16, payroll tax receipts have risen 2.2% through the third quarter of the fiscal year with the year end estimate at just under 2%. This follows a particularly strong performance in the prior year making year over year performance challenging. The 2.4% growth estimate for FY17 is more in line with the trend in recent years.

SALES TAX



Definition

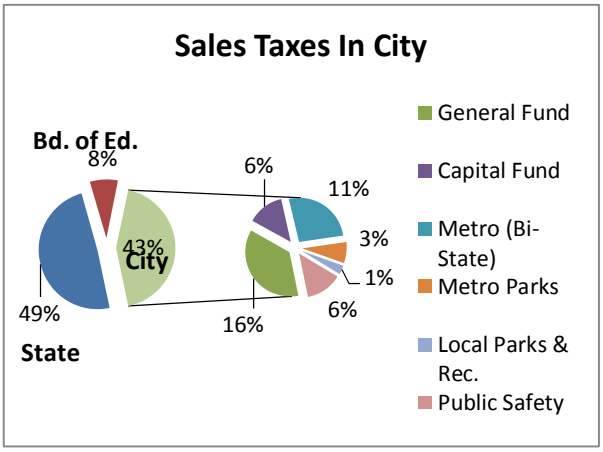


Definition

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	9.3%
3 Year	2.5%
5 Year	3.5%
10 Year	1.7%
FY16 (rev. est.)	0.6%
FY17 (budget)	0.2%

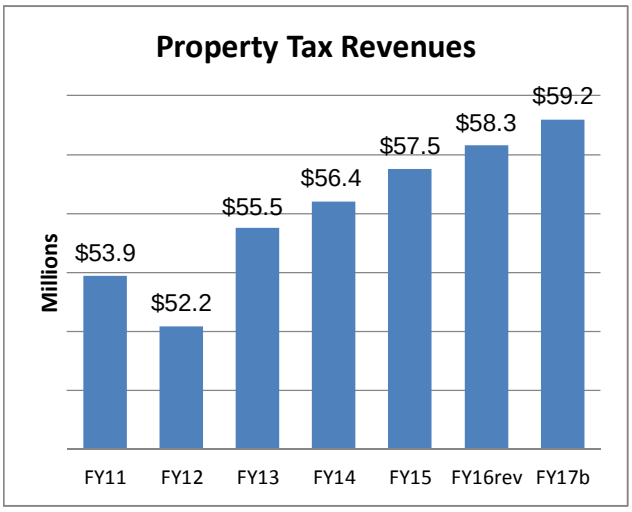


Discussion

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 shown healthier growth. It was anticipated following strong results in FY15 that there would be a pull back in receipts in the current year. However, receipts in FY16, receipts are still projected to increase a modest 0.6%. FY17 revenue estimates assume a return to the longer growth trend of about 1.5% adjusted downward to reflect the impact of the loss of NFL football. The net projected increase with this adjustment is 0.2%.

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	

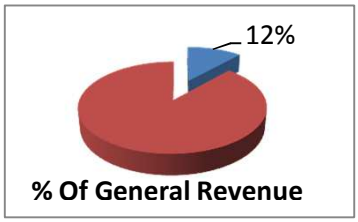
REAL AND PERSONAL PROPERTY TAXES



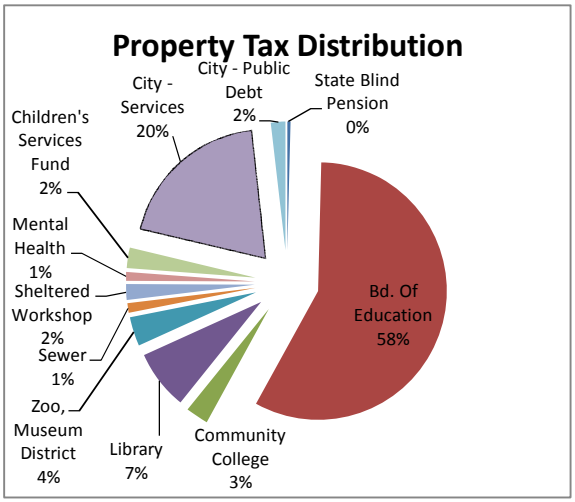
Definition

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	1.9%
3 Year	3.3%
5 Year	1.7%
10 Year	2.6%
FY16 (rev. est.)	1.4%
FY17 (budget)	1.5%



Discussion

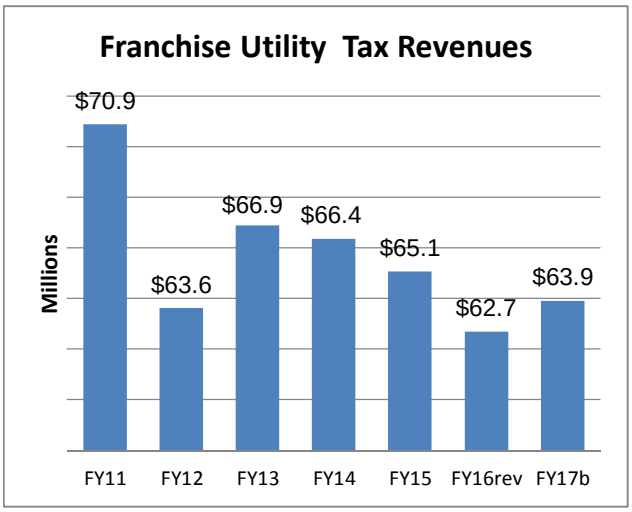
Real and personal property tax revenues are distributed to the following taxing jurisdictions.

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. FY16 receipts are projected to finish the year up by 1.4% in both real and personal property receipts FY17 assumes a normal growth rate of 1.5%.

Property Tax Rate In City:	
State Blind Pension	$0.0300
Bd. Of Education *	4.3711
Community College	0.2176
Library	0.5600
Zoo, Museum, Garden District	0.2777
Sewer District	0.0876
Sheltered Workshop	0.1500
Community Mental Health	0.0900
Community Children's Services Fund	0.1900
City - General Purposes	1.4828
City - Public Debt	0.1330
Total Rate	**$7.5898**

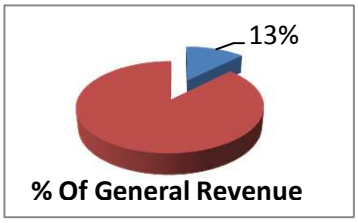
* Pending additional rate of $0.75 for Bd. Of Ed. approved in April, 2016 election

FRANCHISE UTILITY TAX

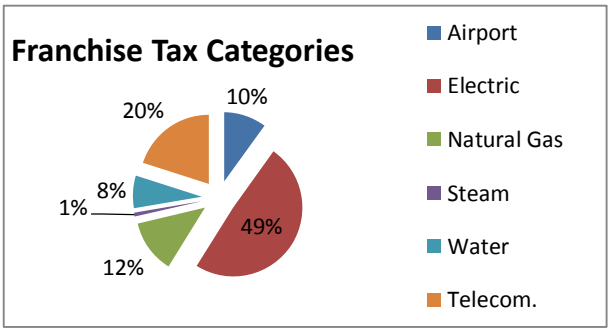


Definition

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.



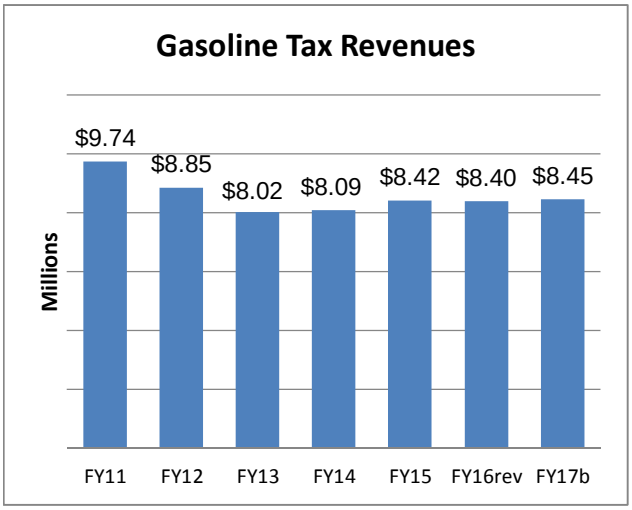
Historical Growth Rates	
1 Year	-1.9%
3 Year	0.8%
5 Year	1.8%
10 Year	2.3%
FY16 (rev. est.)	-3.6%
FY17 (budget)	2.0%



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. Telecommunications franchise receipts are taxed at a rate of 7.5%. (Telecom receipts are received into general revenue through transfer from a special fund.) 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 FY16, electric utility receipts were up 3.9% through the third quarter while natural gas receipts had declined by 21.7%. This decline in natural gas receipts follows quite closely the 25% decline in heating degree days over the preceding eight month period. FY17 estimates for electric and natural gas franchise receipts assume increases of 3% and 5% respectively. Meanwhile, franchise receipts from telecommunications were down 16.4% through the fiscal third quarter. This follows a pattern of decline in recent fiscal years as more land lines are eliminated and alternative forms of voice/data communications proliferate. The FY17 estimate for telecom franchise receipts has been projected to remain flat at the new lower level of receipts. Meanwhile Airport franchise receipts are projected to increase at less than 1% while Water Div. receipts are expected to decline by 1.2%.

GASOLINE TAX



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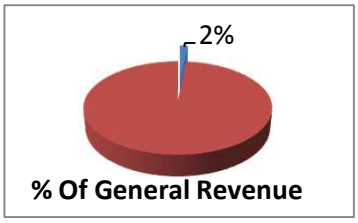


A per unit tax levied on the sale of motor fuel purchased statewide. The gasoline tax is levied by the state and remitted monthly to local jurisdictions based on the proportionate share of the total population.

Historical Growth Rates	
1 Year	4.1%
3 Year	-1.7%
5 Year	-2.7%
10 Year	-1.9%
FY16 (rev. est.)	-0.3%
FY17 (budget)	0.7%

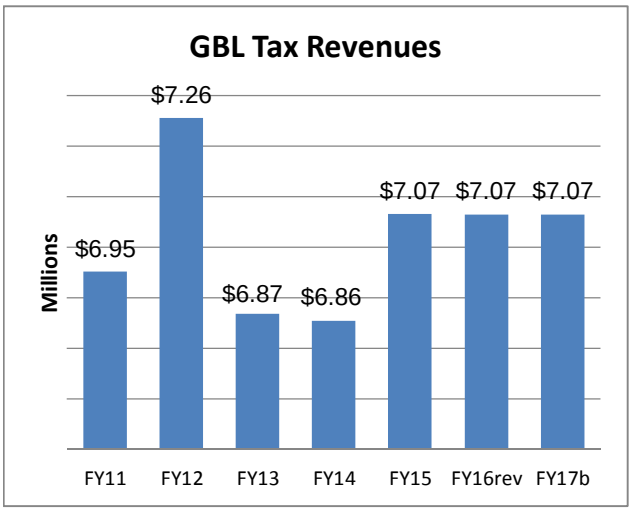
Discussion

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.

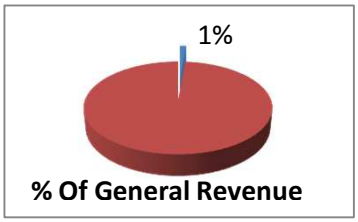
Amounts depicted in the chart above represent the City's allocation based on its status as a city and are deposited to the general fund to offset the cost of maintaining streets and highways. An additional $0.6 million is received based on the City's status as a county and is deposited to the capital 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. Following an increase in the previous year, gas tax receipts were nearly flat through the fiscal third quarter. Growth is expected to moderate at less than 1% in FY17.

GRADUATED BUSINESS LICENSE TAX

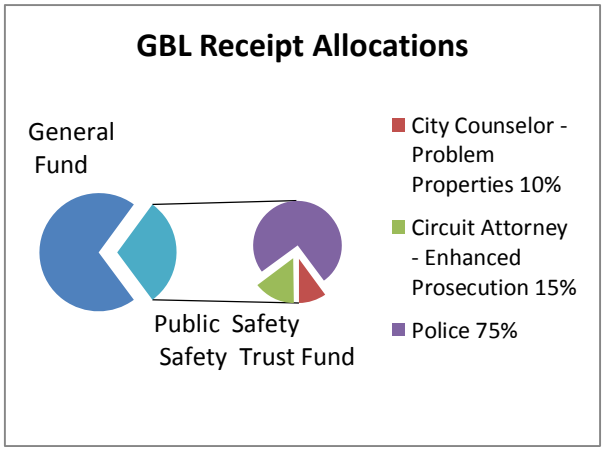


Definition



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	3.1%
3 Year	-0.9%
5 Year	-0.5%
10 Year	-0.9%
FY16 (rev. est.)	0.0%
FY17 (budget)	0.0%



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 seen only modest gains in recent years. Most receipts from the GBL are received in the 4th quarter of the fiscal year, making year end projections difficult. FY15 saw a slight increase in receipts and projections for both FY16 year end and FY17 assume general revenues to remain flat at the $7M level. 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 FY15	Projected Receipts FY16	Projected Receipts FY17	Percent Change
SPECIAL AND OTHER FUND REVENUES:				
Local Use Tax Fund				
Local Use Tax	30,279,471	29,500,000	29,500,000	0.0%
Interest & Misc.	12,239	29,510	25,150	-14.8%
	30,291,710	29,529,510	29,525,150	0.0%
Convention and Tourism Fund				
Restaurant Gross Receipts Tax (1%)	5,956,023	6,350,000	6,403,000	0.8%
License Commission	-261,064	-278,000	-281,000	1.1%
	5,694,959	6,072,000	6,122,000	0.8%
Convention and Sports Facility Fund				
Hotel and Motel Sales Tax (3.5%)	8,711,114	9,100,000	9,282,000	2.0%
License Commission	-273,031	-285,000	-291,000	2.1%
	8,438,083	8,815,000	8,991,000	2.0%
Assessment Fund				
Real Estate Tax	2,054,067	2,092,500	2,092,500	0.0%
State Reimbursements	417,237	420,000	436,000	3.8%
Other	69,914	89,300	89,300	0.0%
General Fund Subsidy	1,450,000	1,650,000	1,950,000	18.2%
	3,991,218	4,251,800	4,567,800	7.4%
Miscellaneous Special Funds (1116)				
City Employee Pension Trust Fund	12,993,270	11,380,000	11,380,000	0.0%
Gateway Transportation Fund	1,336,713	1,335,000	1,335,000	0.0%
Forest Park Funds	1,892,227	2,303,000	2,355,000	2.3%
Downtown Vending Parks Fund	5,500	10,000	10,000	0.0%
Circuit Attorney - Misc. Special Funds	242,862	233,000	242,200	3.9%
Circuit Attorney - Child Support Unit	1,570,352	1,500,000	1,500,000	0.0%
Street Excavation Fund	140,691	110,000	140,000	27.3%
Metro Trash Service Fund	158,333	200,000	200,000	0.0%
Port Authority (incl. gaming lease)	1,041,087	1,279,000	1,817,000	42.1%
Building Commissioner - Lead Remediation	2,480,244	2,892,150	2,989,150	3.4%
Building Commisioner - Bldg. Demolition	1,549,751	1,734,000	1,838,000	6.0%
Police Officer Training Fund	71,382	53,000	60,000	13.2%
Health Division - Other Special Revenue	24,979	11,000	16,000	45.5%
Equitable Relief from Utility Tax	248,234	230,000	245,000	6.5%
Battered Persons / Domestic Viol. Funds	84,260	75,000	75,000	0.0%
Other Special Revenue Funds	745,303	2,299,000	2,828,000	23.0%
	24,585,188	25,644,150	27,030,350	5.4%

CITY OF ST. LOUIS
SPECIAL AND OTHER FUNDS REVENUE ESTIMATE

Revenue Category	Actual Receipts FY15	Projected Receipts FY16	Projected Receipts FY17	Percent Change
Communications Fund				
Cable Television Gross Receipts Tax	3,474,069	3,372,000	3,440,000	2.0%
	3,474,069	3,372,000	3,440,000	2.0%
Lateral Sewer Fund				
Tax receipts and interest	2,600,013	2,600,000	2,650,000	1.9%
Interest	0	500	0	-100.0%
Surplus Commissions	39,977	39,500	39,500	0.0%
	2,639,990	2,640,000	2,689,500	1.9%
Public Safety Trust Fund				
Graduated Business License Tax	2,992,474	2,993,000	2,992,000	0.0%
	2,992,474	2,993,000	2,992,000	0.0%
Riverfront Gaming Revenues (excl. port lease)				
Adjusted Gross Receipts Tax (2.1%)	2,896,147	2,865,000	2,850,000	-0.5%
Admissions Tax ($1)	4,134,693	3,875,000	3,850,000	-0.6%
Interest / Misc.	0	0	0	
	7,030,840	6,740,000	6,700,000	-0.6%
Local Parks Funds				
1/8 Cent Sales Tax	4,886,060	4,915,000	4,923,000	0.2%
Neighborhood Parks Fund (Gen Fund Trnsfr)	0	1,600,000	1,600,000	0.0%
BJC / City Trust Fund	2,000,167	2,000,150	2,000,150	0.0%
	6,886,227	8,515,150	8,523,150	0.1%
Public Safety Sales Tax Fund				
1/2 Cent Public Safety Sales Tax	19,618,641	19,733,000	19,768,000	0.2%
	19,618,641	19,733,000	19,768,000	0.2%
Government Grant Fund Revenues				
St. Louis Agency on Training & Employment	6,737,582	4,042,000	4,262,000	5.4%
Police Department Grants	5,747,080	7,042,606	4,400,000	-37.5%
Community Dev. - (excl. separate. approp)	6,505,651	6,279,000	6,326,000	0.7%
Police Asset Forfeiture	2,132,406	1,135,820	629,500	-44.6%
Other Government Grants	28,899,755	40,283,000	40,985,000	1.7%
	50,022,474	58,782,426	56,602,500	-3.7%

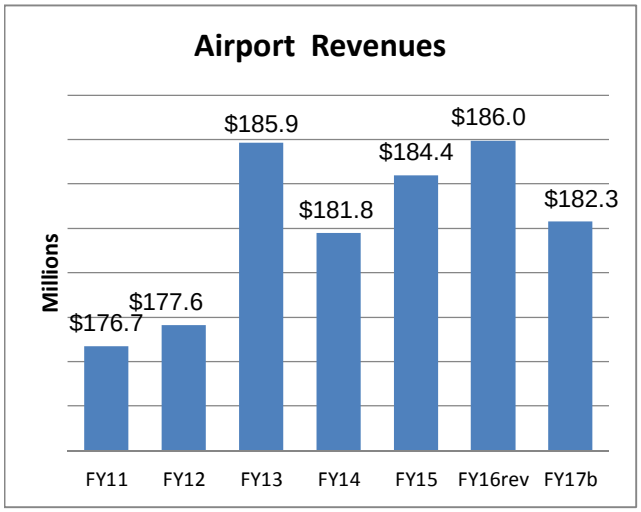
CITY OF ST. LOUIS
SPECIAL AND OTHER FUNDS REVENUE ESTIMATE

Revenue Category	Actual Receipts FY15	Projected Receipts FY16	Projected Receipts FY17	Percent Change
Capital Improvements Funds				
1/2 Cent Sales Tax	19,709,476	19,825,000	19,860,000	0.2%
Metro Parks Sales Tax - 1/10	1,800,775	1,824,000	1,827,000	0.2%
Metro Parks Sales Tax - 3/16	2,663,492	2,736,000	2,741,000	0.2%
Gasoline Tax	630,000	630,000	630,000	0.0%
Previous Year Surplus / (Deficits)	2,153,744	2,560,000	1,283,500	-49.9%
Previous Year 1/2 Gen Fund Oper Balance	0	0	1,096,000	
Release from Prior Year Appropriations	0	0	1,552,140	
Release from Debt Service Funds	0	652,000	99,000	-84.8%
Refuse Garage Rent / Muni Garage Revenue	0	0	634,000	
Income From Sale Of City Assets & Other	161,270	500,000	500,000	0.0%
Transfers from General and Other Funds	14,397,863	14,461,000	10,664,000	-26.3%
Courthouse Restoration Funds	1,237,038	1,500,000	1,250,000	-16.7%
CVC Reimbursements	221,667	167,000	167,000	0.0%
	42,975,325	44,855,000	42,303,640	-5.7%
Debt Service Fund				
Property Taxes	6,598,850	4,823,937	4,443,009	-7.9%
Fund Balance	130,282	0	0	
	6,729,132	4,823,937	4,443,009	-7.9%
Tax Increment Financing	611,244	945,329	1,045,077	10.6%
Trustee Lease Fund - Interest & DSR Earnings	3,874,085	3,874,085	3,874,085	0.0%
Mail Services Internal Service Fund	563,014	567,000	589,000	3.9%
Equipment Services Fuel Internal Services Fund	5,610,395	3,807,000	3,575,000	-6.1%
Employee Benefits Funds	43,217,325	58,239,000	71,202,000	22.3%
	43,217,325	58,239,000	71,202,000	22.3%
Subtotal Special and Other Fund Revenues	**269,246,393**	**294,199,387**	**303,983,261**	**3.3%**

CITY OF ST. LOUIS
SPECIAL AND OTHER FUNDS REVENUE ESTIMATE

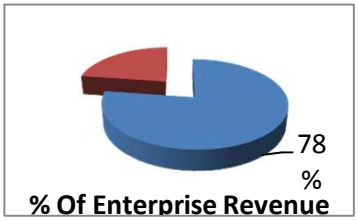
Revenue Category	Actual Receipts FY15	Projected Receipts FY16	Projected Receipts FY17	Percent Change
ENTERPRISE FUND REVENUES:				
Water Division				
Net Sales of Water	49,611,063	52,049,430	50,925,000	-2.2%
All Other Income	3,206,639	3,272,440	2,627,100	-19.7%
	52,817,702	55,321,870	53,552,100	-3.2%
Lambert St. Louis Airport				
Landing Fees	68,662,440	67,000,000	65,700,000	-1.9%
Rents	30,571,269	29,000,000	26,250,000	-9.5%
Utilities and Charges	732,247	900,000	1,000,000	11.1%
Concessions	25,717,976	25,700,000	26,000,000	1.2%
Rate Mitigation Proceeds	13,728,000	13,728,000	13,728,000	0.0%
Interest	2,405,646	2,000,000	2,000,000	0.0%
Parking and Miscellaneous	18,500,000	19,300,000	19,300,000	0.0%
Pledged PFC Revenues	24,081,158	28,322,500	28,325,000	0.0%
	184,398,736	185,950,500	182,303,000	-2.0%
Subtotal Enterprise Funds	**237,216,438**	**241,272,370**	**235,855,100**	**-2.2%**
Total Special and Enterprise Revenues	**$506,462,831**	**$535,471,757**	**$539,838,361**	**0.8%**
Revenues Appropriated Separately:				
Street Improvement Fund				
Motor Vehicle Sales Tax	850,838	690,000	690,000	0.0%
Franchise (Utility) Taxes	4,443,494	4,810,000	4,810,000	0.0%
Interest	0	0	0	
	5,294,332	5,500,000	5,500,000	0.0%
Community Dev. Block Grants / Housing Grants	10,718,120	15,156,474	16,332,875	7.8%
(excluding appropriations listed above)	10,718,120	15,156,474	16,332,875	
Transportation Fund	40,367,277	33,097,500	33,197,000	0.3%
Parking Division Fund	25,358,466	17,530,084	16,679,750	-4.9%
Total All Special and Other Fund Revenues	**$588,201,026**	**$606,755,815**	**$611,547,986**	**0.8%**

AIRPORT AUTHORITY
(Lambert-St. Louis International Airport)

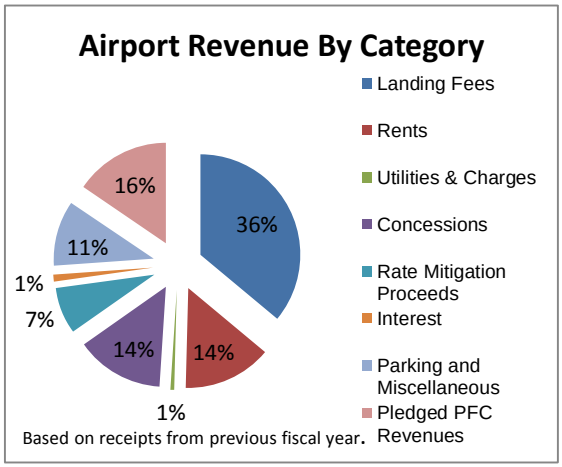


Definition

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



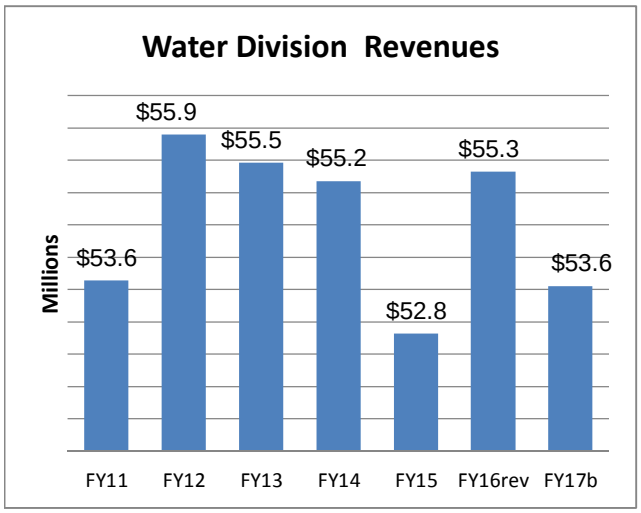
Historical Growth Rates	
1 Year	1.4%
3 Year	1.3%
5 Year	2.3%
10 Year	3.1%
FY16 (rev. est.)	0.8%
FY17 (budget)	-2.0%



Discussion

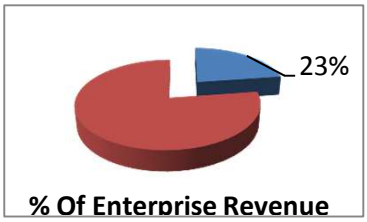
Lambert - St. Louis International Airport receives just over half of its operating revenues from signatory airlines in the form of landing fees and terminal rents. Signatory airlines are those airlines serving the Airport who have signed use agreements and include: Air Canada, Air Choice One, Air Tran, 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 1.9%. This reflects a concerted effort by the Airport Authority to reduce costs which in turn makes the cost of flying into the airport cheaper in the form of lower landing fees. Airport revenues continue to be supplemented by pledged passenger facility charge revenues (ticket surcharges for Airport upkeep) of $28.3M. Airport revenues are projected to decline by 2.0% in FY17.

WATER DIVISION

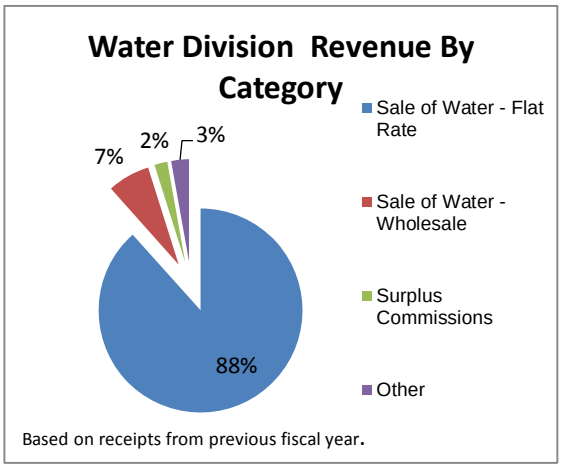


Definition

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	-4.3%
3 Year	-1.9%
5 Year	1.5%
10 Year	2.0%
FY16 (rev. est.)	4.7%
FY17 (budget)	-3.2%

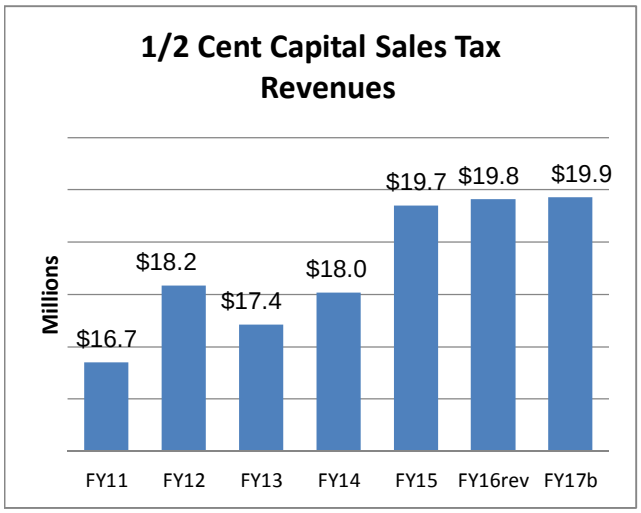


Discussion

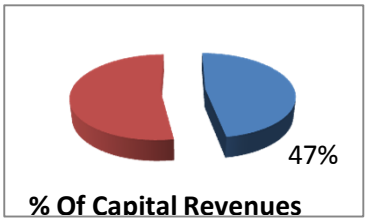
Revenues from net sales of Water include sales to flat-rate and metered customers and sales to other governmental jurisdictions. While the number of metered and unmetered customers has decreased reflecting the city's population decline, increases in the sales to other governmental jurisdictions has offset 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. FY16 revenues through the fiscal third quarter were up 5.1% and are projected to be down 3.2% in FY17.

1/2 CENT CAPITAL SALES TAX

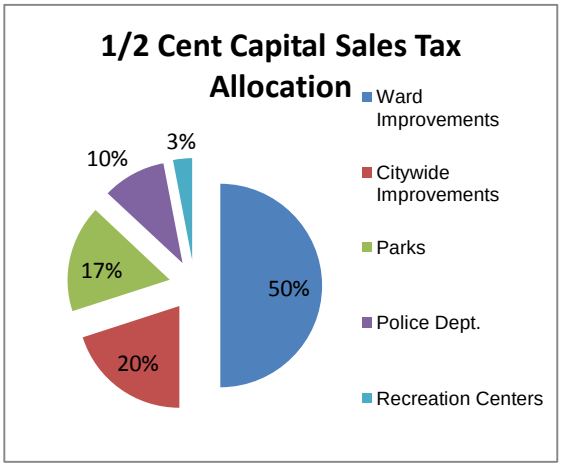


Definition



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.

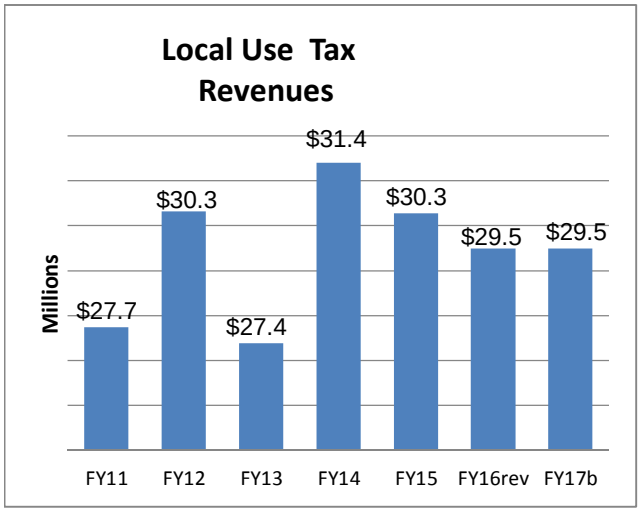
Historical Growth Rates	
1 Year	9.3%
3 Year	2.7%
5 Year	3.8%
10 Year	1.7%
FY16 (rev. est.)	0.6%
FY17 (budget)	0.2%



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 shown healthier growth. It was anticipated following a strong results in FY15 that there would be a pull back in receipts in the current year. However, receipts in FY16 are still projected to increase a modest 0.6%. The FY17 estimate assumes a return to the longer growth trend of about 1.5% adjusted downward to reflect the impact on the loss of NFL football. The net projected increase is 0.2%.

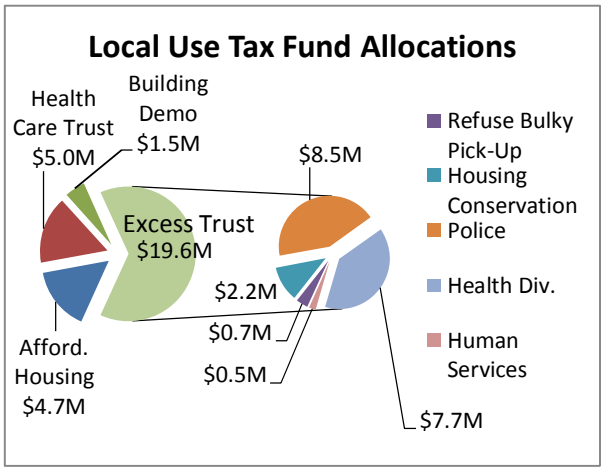
LOCAL USE TAX



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 which is currently 3.788%.

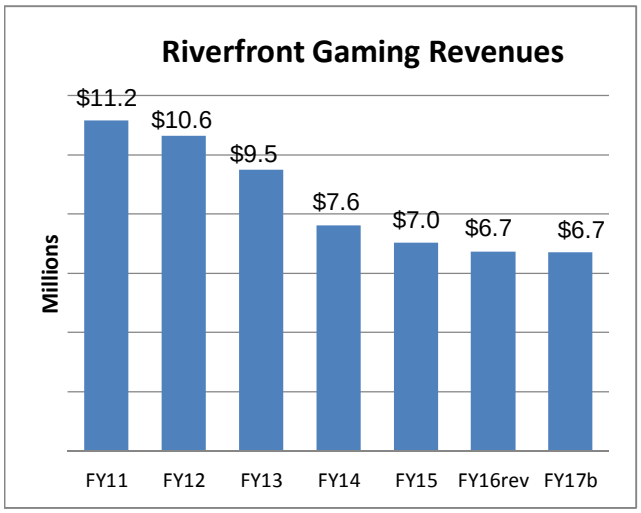
Historical Growth Rates	
1 Year	-3.6%
3 Year	0.0%
5 Year	3.5%
10 Year	2.0%
FY16 (rev. est.)	-2.6%
FY17 (budget)	0.0%



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 bringing the rate to its current level of 3.7875%. Paid mostly by businesses, local use tax receipts have shown only modest increases in base receipts due mostly to increases in the rate. FY16 receipts have seen a decline through the fiscal third of 2.2% Use tax receipts are projected to remain flat in FY17. 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

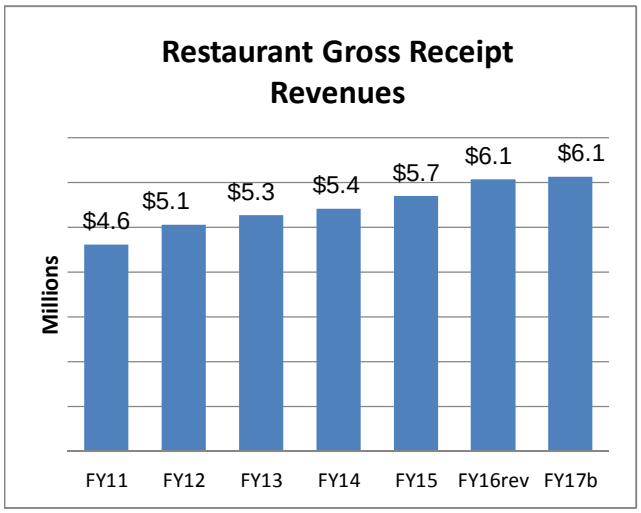
Riverfront Gaming revenues come primarily from two sources: 1) the local share of the state gaming tax and 2) the local share of the state admissions tax.

Historical Growth Rates	
1 Year	-7.8%
3 Year	-12.9%
5 Year	-11.6%
10 Year	0.9%
FY16 (rev. est.)	-4.1%
FY17 (budget)	-0.6%

Discussion

The Casino operating in the City is known as Lumiere Place and has been operating as a gaming facility on Laclede's Landing since December, 2007. The state of Missouri imposes a tax of 21% on the adjusted gross receipts (AGR) of gaming facilities of which the City as the local "port city" receives a 10% share, or 2.1% of AGR. In addition, the City also receives $1 of the state imposed $2 head tax on the number of casino admissions. Gaming receipts have shown steady declines in recent years. The opening of the River City casino in south St. Louis county in March,2010 has drawn some business from the existing Lumiere operation in the City. As part of the development agreement of this second casino, Pinnacle began making annual payments to the City of $1M. Beginning in FY14, these revenues were being allocated directly to subsidize joint economic development efforts of St. Louis City and County. Gaming revenues through the end of February, 2016 were down 5.4%, with recent months indicating modest gains. Revenue estimates for FY17 anticipate a continued though moderating downward trend.

RESTAURANT GROSS RECEIPTS TAX



Definition

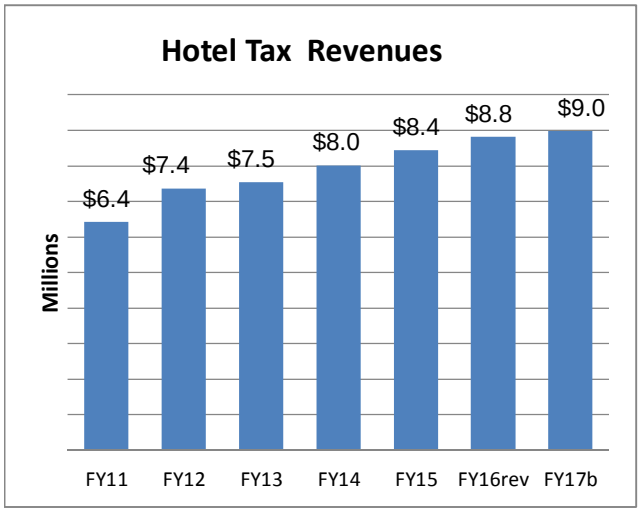
A 1% tax levied on the gross receipts of restaurants, excluding the sale of alcoholic beverages.

Historical Growth Rates	
1 Year	5.3%
3 Year	4.0%
5 Year	5.1%
10 Year	3.5%
FY16 (rev. est.)	6.6%
FY17 (budget)	0.8%

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 7.6% through the third quarter of FY16 and are expected to finish the year up over 7% continuing a string of healthy results in recent years. Projections for FY17 assume a modest underlying growth of 2.5% adjusted downward to reflect the impact of the loss of NFL football. Net estimates for FY17 are up just under 1%.

HOTEL / MOTEL SALES TAX



Definition

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

Historical Growth Rates	
1 Year	5.2%
3 Year	4.6%
5 Year	6.2%
10 Year	4.8%
FY16 (rev. est.)	4.5%
FY17 (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 4.7% through the end of the third quarter of FY16 and based on historical receipts are expected to finish the year up close to 4.5%. FY17 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 FY2017 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