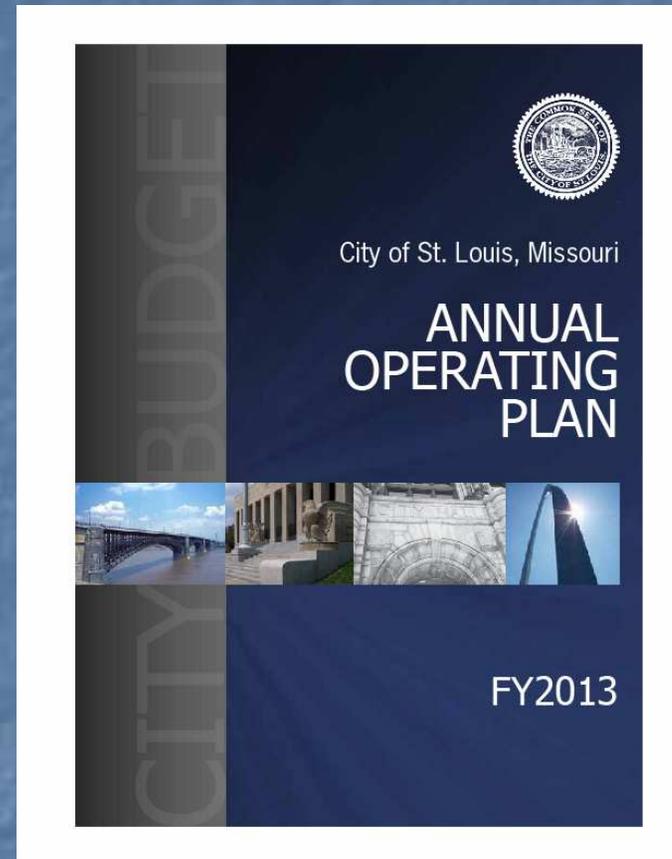


CITY OF ST. LOUIS  
**PROPOSED FY2013  
ANNUAL OPERATING PLAN**

Presentation to Ways and Means  
Committee

May 8, 2012

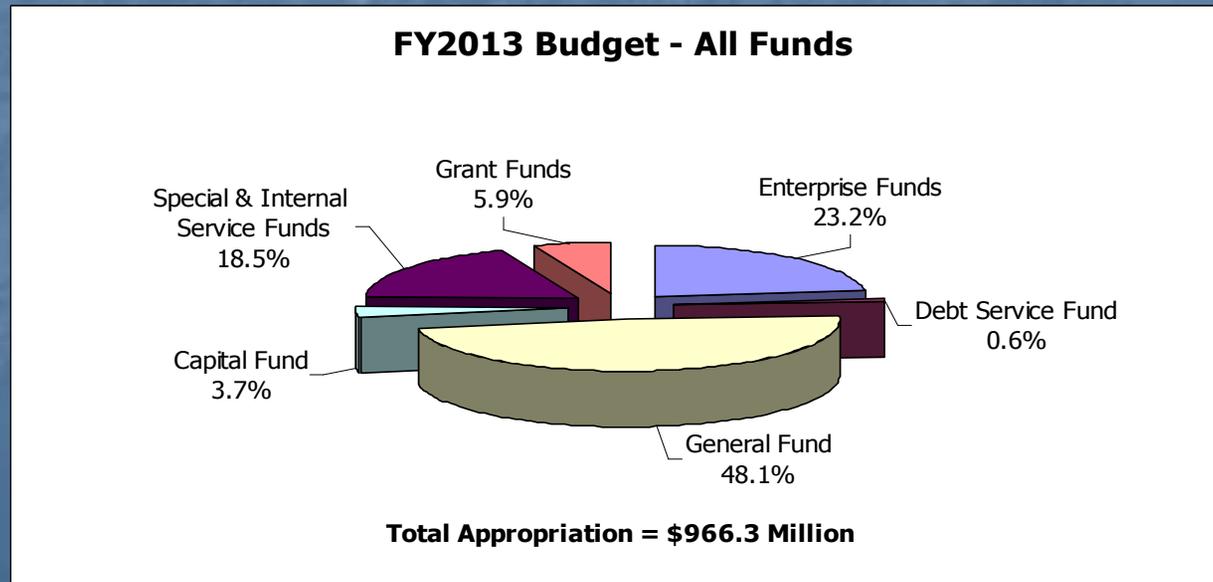


# CITY OF ST. LOUIS

## FY2013 Annual Operating Plan

The Annual Operating Plan for FY2013 totals \$966.3M, an increase of 3.1% over the previous fiscal year.

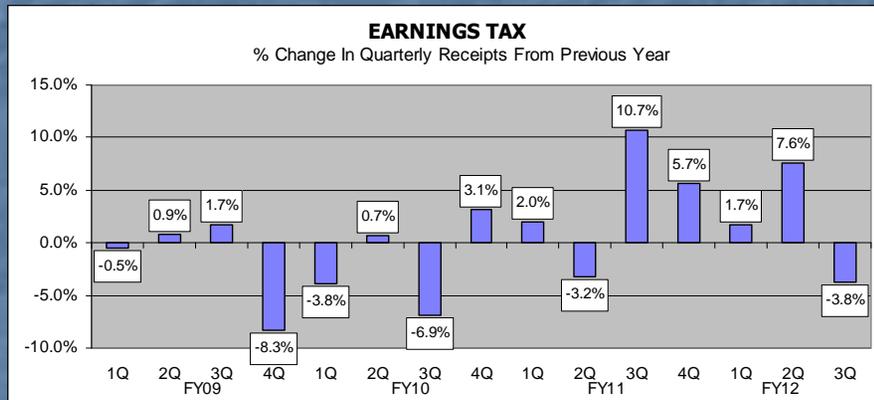
(in Mil. \$)	<u>FY12</u>	<u>FY13</u>	<u>% CHG</u>
General Fund	\$450.0	\$464.8	3.3%
Special Revenue	119.2	129.5	8.6%
Grant Funds	63.2	56.8	-10.1%
Debt Service Fund	5.7	5.7	0.0%
Capital Improvement Funds	34.9	36.0	3.2%
Enterprise Funds	224.0	223.8	0.1%
Internal Service Funds	40.7	49.7	22.1%
	<b>\$937.6</b>	<b>\$966.3</b>	<b>3.1%</b>



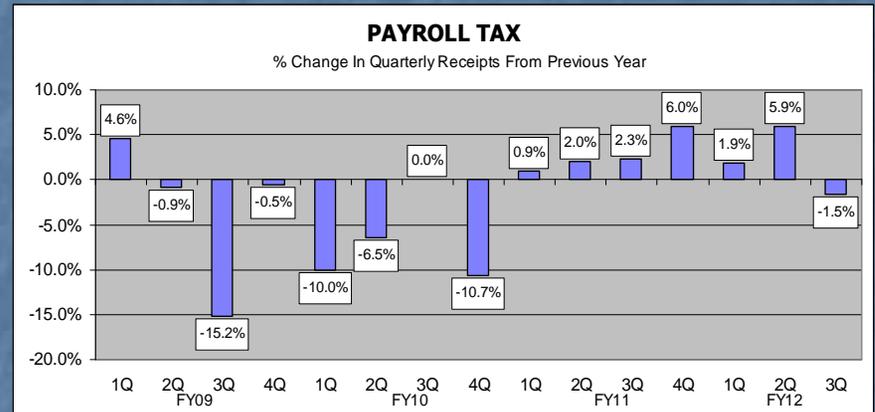
# CITY OF ST. LOUIS

## FY2013 Proposed Annual Operating Plan

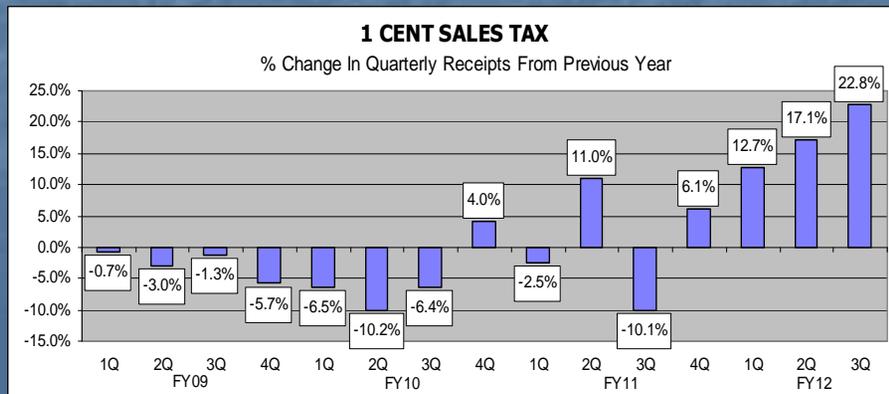
General Revenue Update: Restrained growth in Earnings and Payroll Taxes with Stronger Growth in Sales Taxes thru Third Quarter of FY12



**Payroll Tax YTD**  
**1.9%**



**Earnings Tax YTD**  
**1.3%**



**Sales Tax YTD**  
**11.0%**

## CITY OF ST. LOUIS

### FY2013 Proposed Annual Operating Plan

Total budget requests exceeded preliminary allocations by over \$30M. After reductions, base budget gap of over \$20M remained.

FY12 General Revenue Base	\$450.0	M
Plus Revised FY12 Base	6.7	
Less One-time FY12 Revs. (earnings & sales taxes)	(4.5)	
Plus One-time FY13 Revenues	1.0	
Net Growth @ 2.5%	11.6	
	<hr/>	
	<b>\$464.8</b>	
FY12 General Fund Budget Base	\$450.0	M
Plus Increases / (Decreases):		
FY12 Capital reallocations (wards, parks & rec)	3.4	
Lease Debt (CCC and TRANS)	2.0	
Election Bd. - scheduled elections	1.5	
Circuit Drug Court	0.3	
Corrections – inmate population @ 1,900	2.5	
Fleet Fuel and repairs / utilities net salt decrease	0.9	
Police & Police Pension (incl. matrix steps)	11.6	
Fire & Fire Pension (incl. matrix steps)	5.5	
FY12 salary savings (excl pension below)	3.5	
Other Employee Salary, Pension & Health Insurance	4.0	
	<hr/>	
<b>FY13 Base Budget</b>	<b>\$485.3</b>	
<b>FY13 Preliminary Budget Gap</b>	<hr/> <b>(\$20.5)</b>	<b>M</b>

# CITY OF ST. LOUIS

## FY2013 Proposed Annual Operating Plan

To Address The Budget Gap The FY2013 Annual Operating Plan Proposes A Mix of Budget Cuts, Reallocations and special fund balances.

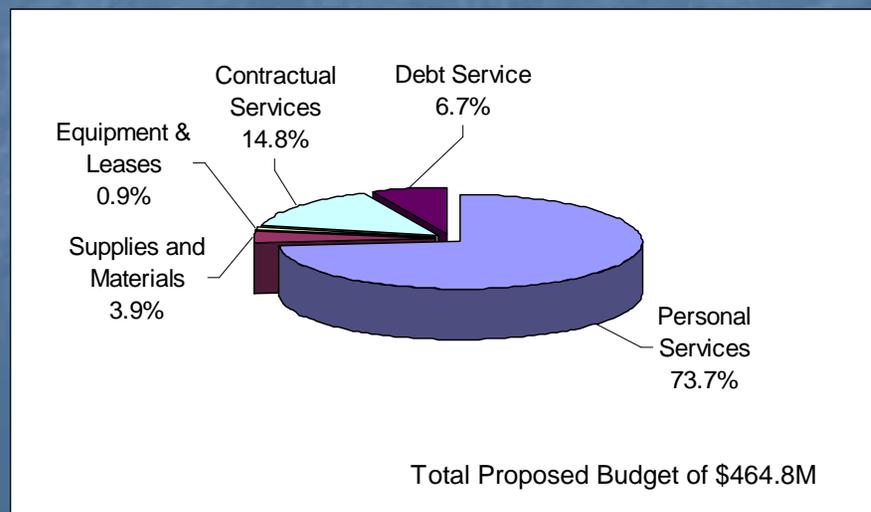
■ Budget Cuts:	\$9.4M	Includes attrition reductions in Police and Fire Depts. to offset pension and other pay related cost increases; and cuts across other departments
■ Revenue Reallocations:	\$6.0M	Includes reallocation of ½ Cent Capital Funds (from Wards and Recreation Center accounts), a portion of Local Use Tax allocations as well as charge of some expenses to special funds
■ Special Fund Balances:	\$5.1M	Includes excess funds accrued in FY12 and available for appropriation in special funds (use tax, ½ cent public safety, gaming fund, etc..)
Total	<u>\$20.5M</u>	

# CITY OF ST. LOUIS

## FY2013 Proposed Annual Operating Plan

Payroll Costs Represent nearly 3/4 of total expenditures. Proposed budget contains these personnel cost highlights:

- o FY12 budget had included \$4.0M (\$3.5M net pension) in salary savings not repeated in FY13. FY13 includes increases in health insurance cost (\$1.4M) and allowance for pay increases (\$1.4M) pending pay plan and net increase in pension costs (\$1.2M) for non-uniform employees.
- o \$2.6M in attrition reductions and \$3.7M in other reductions to help offset Police Dept. increases in PRS pension costs (\$8.4M) and matrix steps (\$2.6M), civilian share of ERS cost (\$0.3M) and expiring COPS grant (auth. officers to decrease by 80 to 1,265).
- o \$0.9M in continued attrition reductions to help offset Fire Dept. increases in FRS costs (\$5.0M), and matrix steps (\$0.8M), (auth. firefighters to decline to 556 by end of fiscal year, requiring closure of two additional companies).



# CITY OF ST. LOUIS

## FY2013 Proposed Annual Operating Plan

### Other Proposed Changes Across Departments:

General Govt. / Finance	\$0.1M	Minor decreases mostly offset minor increases (e.g. \$50k "smarter cities", 2 finance pos. cut from grants; (note: \$500k in Dept. of Personnel for promotional tests incl. in Fire Dept increases listed earlier)
City Wide	(\$0.3M)	Decrease of \$225k for Gateway Trans. subsidy and \$100k for After School Program (note: City wide includes \$2M in additional debt costs and \$1.4M in salary increase listed earlier)
Parks, Recreation & Forestry	(\$0.1M)	Reduction of \$125 in per perf. labor. in Forestry and Parks. \$150k reduction in recreation grant funding for day camps budgeted in special fund
Judicial Offices	(\$0.2M)	Circuit court & Juvenile cut 13 vac.pos. Drug Court inc. @ \$335k to P.S. Fund Sheriff & City Courts – down net 3 pos. with contractual services increase

# CITY OF ST. LOUIS

## FY2013 Proposed Annual Operating Plan

### Other Proposed Reductions: (Continued)

County Offices	(\$0.1M)	Recorder of Deeds – cuts 3 pos. with increase in contractual costs. (Election Bd. increase of \$1.5M for for 4 scheduled elections included in increase list)
Streets	(\$1.7M)	Refuse contains \$1M in final installment of recycle bin and camera purchases. Does <u>not</u> include \$1.6M requested for truck replacement. Most of reduction in landfill costs (\$0.6M) used in \$500k FY12 truck lease purchase. (Streets salt reduction @ \$700k) included in increase list)
Public Safety	\$0.1M	Minimal changes other than Fire & Corrections listed earlier. (Corrections @ \$2.5M increase adds 44 pos. assumes 1,900 population
Board Of Public Service	\$0.0M	Most changes limited to ESD listed earlier @\$0.7M increase in fuel and \$0.3M in repairs. New internal service fund to allocate \$4.8M in fuel costs across depts. as efficiency initiative.
Total Other Proposed Reductions	(\$2.2M)	

# CITY OF ST. LOUIS

## FY2013 Proposed Annual Operating Plan

### Continued Reallocation of Special Revenues and Balances

1/2 Cent Capital Sales Tax	\$2.6M	Continues reallocation of unrestricted capital funds to offset Citywide capital costs. Includes \$0.5M from Recreation and \$2.1M from FY13 Ward allocation (75% of normal offset in part by \$950k beg. balance)
Forest Park Fund	\$0.6M	\$580K in Forest Park facility utilities to continue to be charged to F.P. Fund
Public Safety 1/2 Cent	\$0.3M	Cost of additional Drug Court subsidy (\$335k) from Public Safety 1/2 cent sales tax crime prevention account
Local Use Tax	<u>\$2.5M</u>	\$1.0M in Affordable Housing funds \$1.5M in building demolition funds
Total:	\$6.0M	

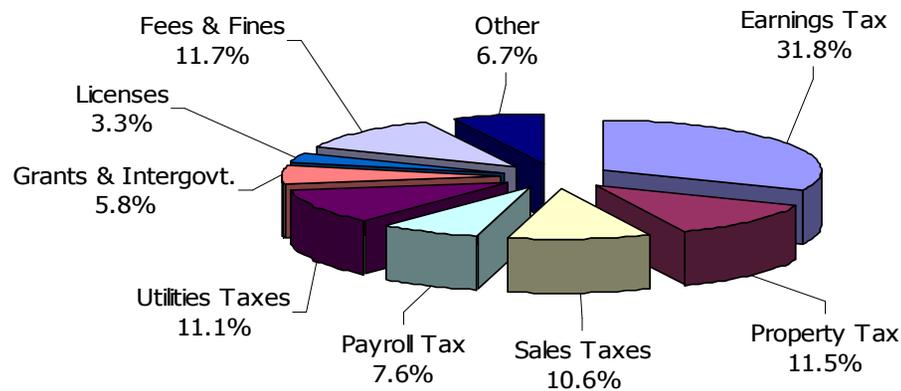
Special Fund Balances		
Gaming Fund	\$0.9M	Most of these balances due to excess sales and use taxes in FY12.
Citywide Capital	\$0.2M	
Excess Use Tax	\$1.8M	
Public Safety Sales Tax	\$1.9M	
Assessment Fund	<u>\$0.2M</u>	
Total	\$5.1M	

# CITY OF ST. LOUIS

## FY2013 Proposed Annual Operating Plan

### General Fund Revenue Outlook:

Rounded (in Mil. \$)	Actual	Revised	Estimated	% CHG.
	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	
Earnings Tax	\$141.5	\$147.0	\$147.8	0.5%
Property Tax	53.9	52.9	53.5	1.1%
Sales Tax	46.0	50.9	49.5	-2.8%
Payroll Tax	33.7	34.5	35.2	2.0%
Franchise (Utility) Taxes	57.4	50.3	51.6	2.6%
Intergovernmental	25.8	24.7	26.7	8.1%
Licenses	15.0	15.0	15.1	0.7%
Departmental Fees and Fines	50.5	51.6	54.4	5.4%
Other	29.1	29.8	31.0	4.0%
	<b>\$452.9</b>	<b>\$456.7</b>	<b>\$464.8</b>	<b>1.8%</b>



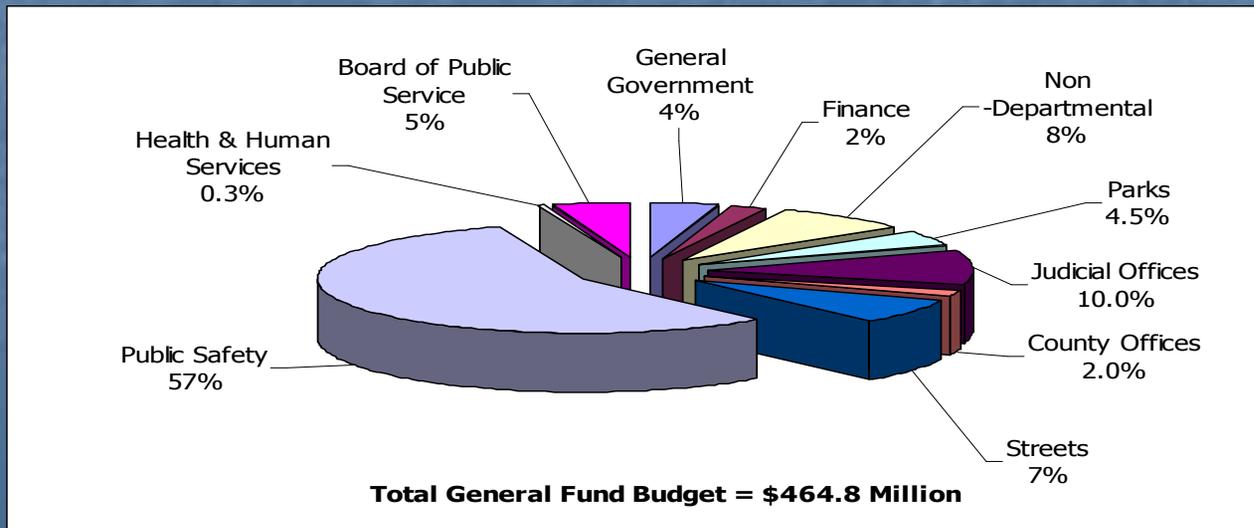
**Total General Fund Revenues = \$464.8 Million**

# CITY OF ST. LOUIS

## FY2013 Proposed Annual Operating Plan

### General Fund Expenditure Outlook:

(Rounded in Mil. \$)	Actual FY11	Budget FY12	Proposed FY13	% CHG.
General Government	17.8	\$18.6	\$19.7	5.7%
Finance	9.6	9.5	9.9	4.5%
Non-Departmental	38.4	35.7	38.7	8.5%
Parks, Recreation & Forestry	18.9	19.5	21.0	7.2%
Judicial Offices	43.8	45.3	46.4	2.5%
County Offices	7.9	7.7	9.4	23.3%
Streets	32.2	34.0	34.8	2.5%
Public Safety	255.2	253.3	261.6	3.2%
Human Services	1.1	1.3	1.3	2.2%
Board of Public Service	24.1	25.2	22.0	-12.7%
	<b>\$449.0</b>	<b>\$450.0</b>	<b>\$464.8</b>	<b>3.3%</b>



# CITY OF ST. LOUIS

## FY2013 Proposed Annual Operating Plan

### Proposed Changes in Special Funds Include:

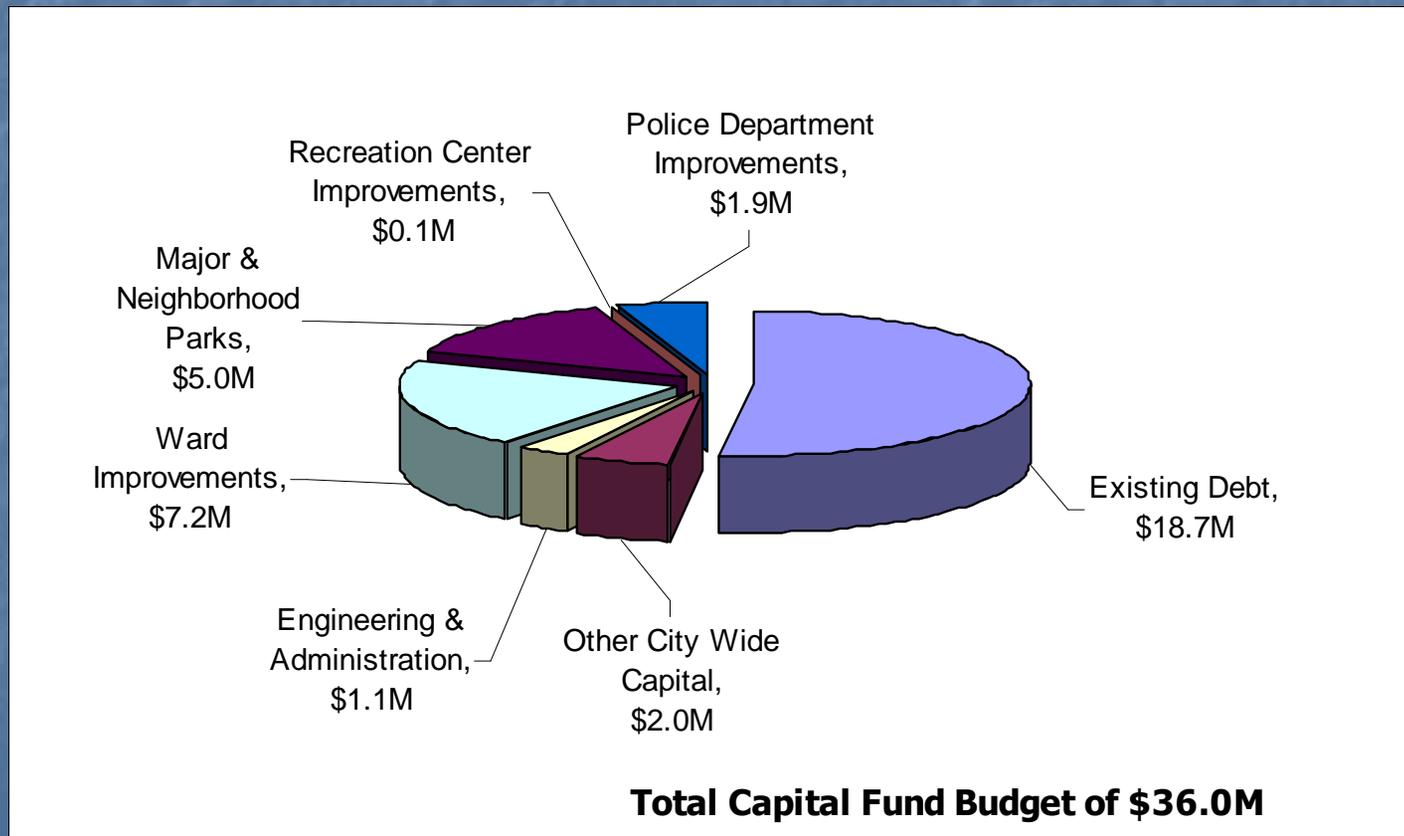
Local Use Tax	<ul style="list-style-type: none"><li>o Local Use Tax Revenues up 8.5% YTD; still short of FY09 level</li><li>o Total Budget of \$31.3M up \$6.4M including est. \$1.8M beg. bal.</li><li>o Includes Reallocation of \$1M in Affordable Housing Funds &amp; \$1.5M in Bldg Demo funds</li> <li>o Health &amp; Hospital Budget:<ul style="list-style-type: none"><li>- \$0.1M Dir H&amp;H – cost of PIO pos. and pay increases</li><li>- \$0.2M Animal Ctr. – full year cost of addl. vet and vet tech positions</li></ul></li></ul>
Lead and Building Demo Funds	<ul style="list-style-type: none"><li>o Funded thru Building permit revenue; decline in recent years has left funds in deficit; Lead Fund to propose new fees in FY13; Building demo and board up budgeted to receive \$500k from Use Tax Demo Fund to stop continued deficits; negative balance est. between \$2.5M-\$3.0M</li></ul>
Gaming Fund	<ul style="list-style-type: none"><li>o FY13 Revenue at \$10.9M down slightly over past 12 mos.</li><li>o Include \$1M Pinnacle payment and \$0.9M beg. bal.</li></ul>
C&T Fund	<ul style="list-style-type: none"><li>o Retains funding for Sister Cities @ \$75k &amp; Grand Center @ \$60k</li></ul>

# CITY OF ST. LOUIS

## FY2013 Proposed Annual Operating Plan

Proposed Capital Fund Budget Reflects Higher Sales Tax Growth and Reallocated Amounts.

- Meets FY13 obligations though longer term capital remain under funded



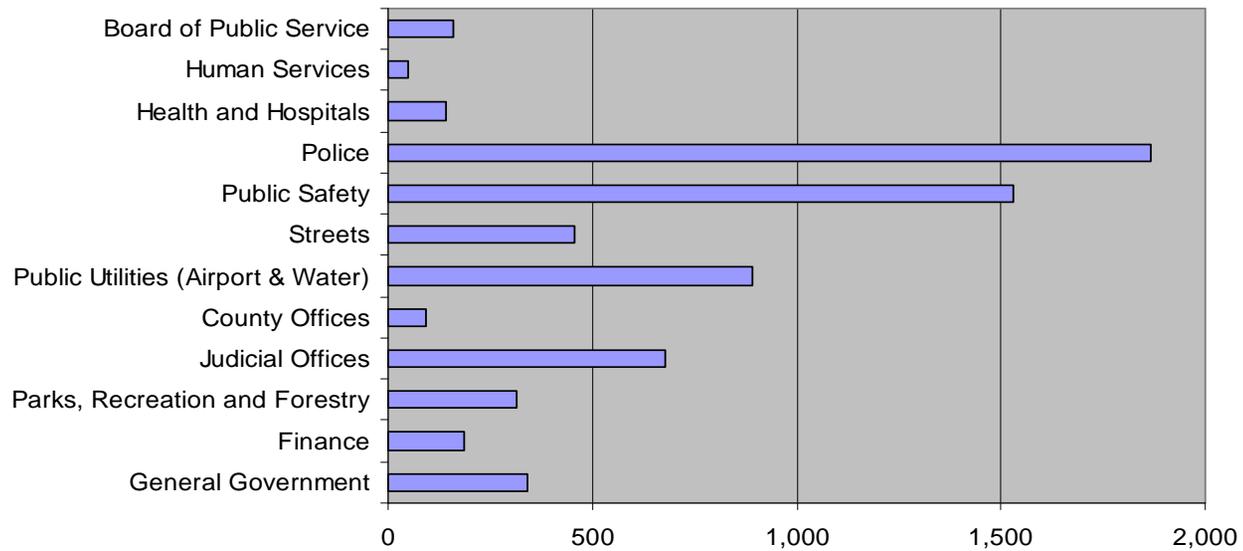
# CITY OF ST. LOUIS

## FY2013 Proposed Annual Operating Plan

### Total Personnel Changes By Department – All Funds:

Personnel Totals - All Funds			
	FY12	FY13	Change
<b>BY FUND</b>			
General Fund	5,127	5,038	-89
Special Funds	448	461	13
Grant Funds	357	316	-41
Enterprise Funds	905	887	-18
<b>Totals</b>	<b>6,837</b>	<b>6,702</b>	<b>-135</b>

**FY13 PERSONNEL TOTALS BY DEPARTMENT**

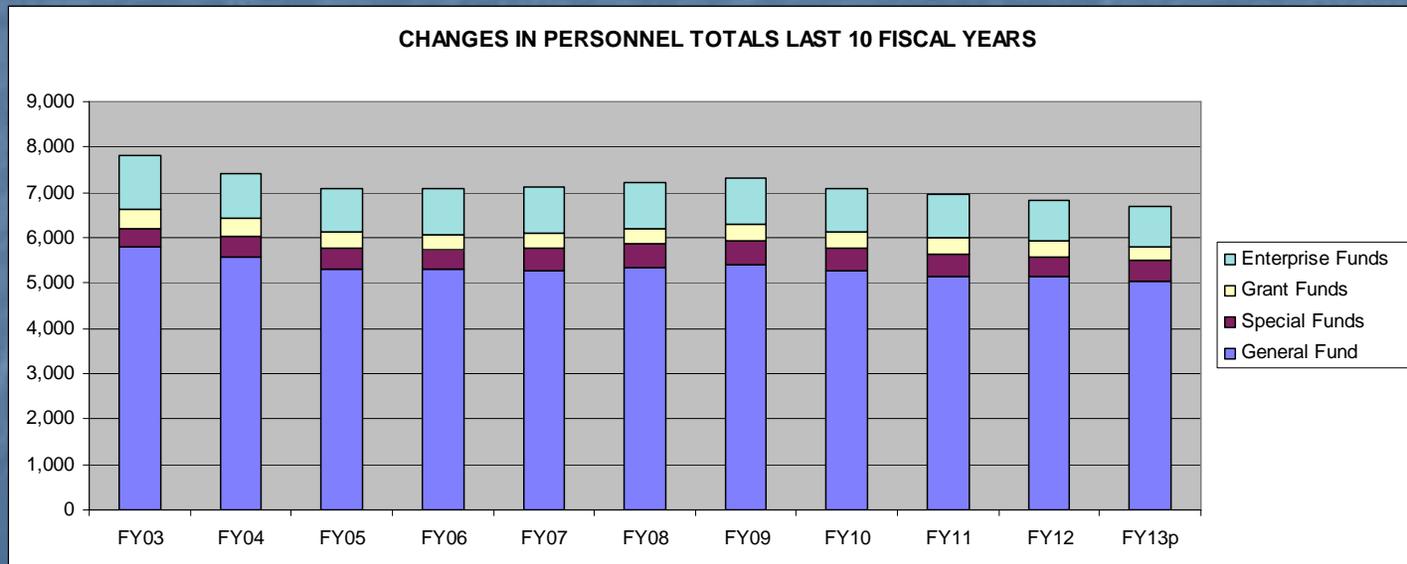


# CITY OF ST. LOUIS

## FY2013 Proposed Annual Operating Plan

### Number of Personnel – Last 10 Fiscal Years:

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13p	10Yr CHG
General Fund	5,795	5,586	5,316	5,295	5,287	5,341	5,393	5,270	5,147	5,127	5,038	-757
Special Funds	393	440	460	450	467	521	546	513	479	447	461	68
Grant Funds	439	398	344	330	329	343	348	349	371	357	316	-122
Enterprise Funds	1,186	991	975	1,013	1,025	1,021	1,024	970	949	905	887	-299
	7,813	7,415	7,096	7,088	7,107	7,225	7,310	7,102	6,947	6,837	6,702	-1,110

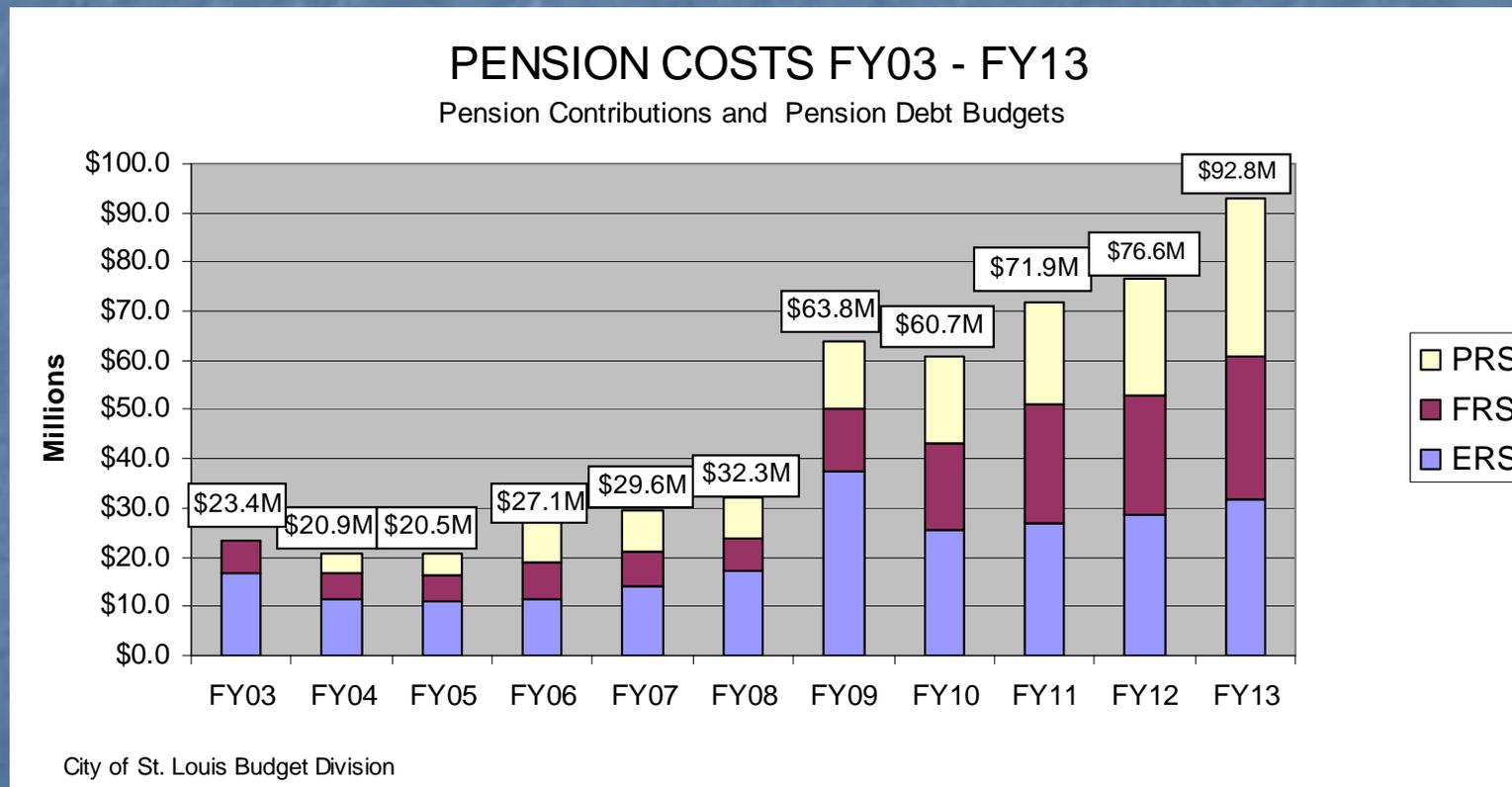


# CITY OF ST. LOUIS

## FY2013 Proposed Annual Operating Plan

Pension Costs – Budget Meets All Current Obligations

Costs Expected to continue to rise as efforts to manage are ongoing.



# CITY OF ST. LOUIS

## FY2013 Proposed Annual Operating Plan

### Pension & Retirement Funding Overview

	Employee Retirement		Fire Retirement			Police Retirement	
			EAN	FIL			
<b>Valuations <sup>1</sup></b>							
(as of 10/1/11)							
Assets - Market Value	\$585.6	M	\$387.2	\$387.2	M	\$596.3	M
Assets - Actuarial Value	\$661.9	M	\$404.1	\$404.1	M	\$695.4	M
Actuarial Accrued Liabilities	\$841.8	M	\$521.8	\$430.8	M	\$855.6	M
Actuarial Unfunded Liability	\$179.8	M	\$117.7	\$26.7	M	\$160.2	M
Funded Ratio - Actuarial Basis	<b>78.6%</b>		<b>77.4%</b>	93.8%		<b>81.3%</b>	
Funded Ratio - Market Basis	<b>69.6%</b>		<b>74.2%</b>	89.9%		<b>69.7%</b>	
<b>1) FY13 Pension Costs</b>	<b>Total</b>						
Employer Contribution	\$77.6	\$28.0		\$21.2	M	\$28.5	M
Debt Service	\$13.6	\$3.9		\$6.5	M	\$3.2	M
Admin. (net reimbursement)	\$1.7	--	EAN debt	\$1.4	M	\$0.2	M
<b>Total</b>	<b>\$92.8</b>	<b>M</b>	<b>\$31.8</b>	<b>\$29.1</b>	<b>M</b>	<b>\$31.9</b>	<b>M</b>
<b>2) Active Membership</b>							
Active	4,851			605		1,161	
Active In Drop	442			65		214	
Less Non-City	-800			--		--	
Less Depts. budgeted separately	-200			--		--	
Total Active	4,293			670		1,375	
<b>3) FY13 Projected Pension Costs Per Active Participant</b>	<b>\$7,413</b>			<b>\$43,405</b>		<b>\$23,212</b>	

# CITY OF ST. LOUIS

## FY2013 Proposed Annual Operating Plan

### Summary:

- o Total FY13 Budget of \$966.3M a 3.1% increase from previous fiscal year
- o General Fund Budget of \$464.8M up 3.3%; bridges over \$20M gap  
Includes:
  - \$9.4M in expenditure reductions including attrition in Police and Fire departments to offset pension and pay related increases, and other cuts across departments
  - \$6.0M in revenue reallocations including Capital fund, Use tax, etc.
  - \$5.1M in special fund balances accrued in prior year(s)
- o Total reduction of 89 general fund positions and 135 positions from all funds