

## **SUMMARY AND OVERVIEW**

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### **EXECUTIVE SUMMARY**

The FY2001 Annual Operating Plan reflects the City's effort to continue to provide government services at a high quality level, the success of which will serve to stabilize both residential and commercial neighborhoods. In so doing, the Plan allocates general and dedicated revenues in a manner that reflects the priorities desired by both citizens and visitors of a clean and safe environment in which to live and conduct business. The proposed allocation while focussing on the twin goals of neighborhood stabilization and enhanced safety of the public, also recognizes the City's fiscal constraints and seeks to honor all obligations while continuing to build a solid financial foundation.

The total budget for FY2001 is \$730.7 million, and is funded by a combination of local tax revenues, dedicated funds for enterprise operations, and project specific grants. These amounts are further broken down by departmental activities using specific projects and accounts, with distinctions being made between operating funds and capital expenditures.

### **GENERAL FUND OPERATIONS**

The city's general fund budget supports those recurring activities necessary for the operation of city government and is funded by a combination of revenues derived from taxes, fees, fines, and intergovernmental transfers. At \$388.0 million, the general fund proposal for FY2001 is the largest of the city funding units. In keeping with the city's stated priorities, this fund allocates \$194.6 million for public safety functions, including \$118.3 million for police services. The remaining public safety allocation from the general fund provides for fire protection, pre-trial inmate housing, emergency medical services, and various permitting and inspection activities. The general fund proposal also dedicates funds for the city's neighborhood stabilization efforts through allocations for solid waste collection and disposal as well as for maintenance of streets, alleys, and parks in the amount of \$47.3 million. Debt service payments for

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large projects funded through lease arrangements are included in the general fund allocation in the amount of \$23.3 million which funds annual lease payments on the Justice Center, Kiel Center, Civil Courthouse, and the Convention Center/Stadium complex. Funding for state and municipal court functions and county offices account for an additional \$42.7 million. The remainder of the general fund budget can be categorized as paying for maintenance and operations of buildings, health care services and administrative functions.

## **ENTERPRISE FUND OPERATIONS**

The Water Division and the Airport are the city's two enterprise funds. Allocations for these departments are included in the FY2001 proposal at \$44.2 million and \$121.2 million, respectively. The Water Division receives its income from the sale of water to residents of the City and recently from the sale of water to other municipalities in the metropolitan area. Nearly 10% of the Water Division's

budget or \$4.1 million is devoted to retirement of revenue bonds issued for capital improvements to the divisions two treatment facilities and an upgrade of the supporting infrastructure. With a proposed budget of \$121.2 million, the Airport is the city's largest cost center and is supported entirely by user fees paid by airlines and concessionaires. Approximately 40% of the proposed airport budget is devoted to debt service payments on revenue bonds issued 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.

## **FEDERAL AND STATE GRANTS**

Grant funds secured from agencies at both the State and Federal level are included in the proposed plan in the amount of \$60.8 million, a 4% increase over the current year level. The largest portion of these dollars are used to augment locally funded social service programs and are allocated through the

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Department of Health and the Department of Human Services. Necessary services are delivered by the City either directly or by contract. In the FY2001 proposal \$31.9 million in grant funds will be allocated for use by these two departments. Public safety and neighborhood stabilization issues are addressed with miscellaneous project specific grants administered by the Police Department and the Local Law Enforcement Block Grant. Grants for this category total \$17.9 million in FY2001. The remaining grant funds supplement the city's efforts in the provision of job training services through the St. Louis Agency for Training and Employment and with providing administrative support for the Law Department and the Community Development Agency.

### **CAPITAL IMPROVEMENTS**

The proposal allocates \$39.5 million to funds dedicated to equipment purchases and capital improvements. The sources include a dedicated sales tax, transfers from the other funds, gaming

admissions receipts, special projects grants and interest earnings on invested funds. Projects funded include replacement of rolling stock, infrastructure improvements to bridges, streets, and buildings, as well as debt service on previously approved projects such as the Justice Center and Civil Courts Building.

### **OTHER SPECIAL REVENUE FUNDS**

The remaining allocations in the proposal are through special funds, the revenues from which are legally required to be accounted for separately from the general fund. In this category is an allocation of \$5.0 million to the Health Care Trust Fund to subsidize health care for underinsured residents, and \$6.6 million from gaming operations which is used for capital improvements and enhancing the safety of the public visiting the riverfront. Other functions for which

special revenue funds are allocated in this proposal include maintenance of improvements in Forest Park, demolition

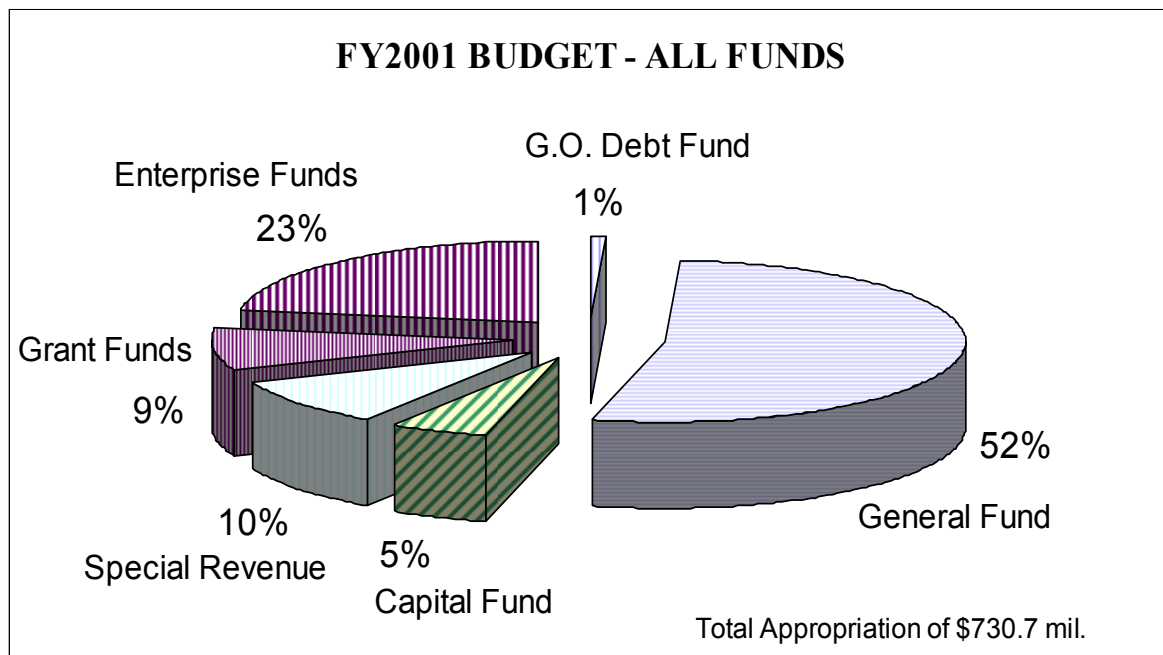
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of condemned buildings, and repair of sewer lines.

The graph below illustrates the total budget distributed among fund groups.

The following page presents a summary of highlights of the FY2001 Annual Operating Plan



**Highlights of the FY2001 Operating Plan**

- Allocation of \$5.0 mil. subsidy to ConnectCare to provide health care for uninsured and underinsured citizens.
- \$2.1 mil. in Capital funds to finance a rolling stock lease purchase of \$9.0 million over five years.
- Cost-of-living pay increases for all employees at a cost of \$11.0 million.
- Increase of \$1.2 million in cost of employee health insurance.
- Funding for Business Retention Program administered by St. Louis Development Agency in the amount of \$300,000
- \$1.1 million increase to hold two state and two municipal elections during fiscal year
- Purchase of additional liability insurance due to change in state liability law at a cost of \$600,000
- First time general fund subsidy of Circuit Drug Court in the amount of \$400,000
- \$600,000 in public safety gaming funds to subsidize relocation of Admiral Riverboat.
- \$3.0 million for contractual prisoner housing primarily at St. Louis County Justice Center
- Assumption of ownership of old federal courts building with scheduled debt cost of \$255,000 and first year maintenance of \$1.2 mil.
- Use of \$2.9 mil. of existing special fund balances to prepay Rams practice facility debt and restore \$1.2 mil. in NFL ticket tax revenue to general fund
- Increase of \$900,000 in subsidy to Truman Restorative Center
- Reduction in general fund City workforce of net 30 vacant positions scattered throughout City departments
- \$625,000 increase for purchase and maintenance of computer software development and licenses
- \$175,000 reduction in salt and snow chemical supplies due to previous mild winter
- \$1.1 mil. increase in cost of fuel and repairs parts at Equipment Services Division

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The FY2001 proposal includes funds for scheduled debt service obligations on several large projects initiated in previous fiscal years. These include the Justice Center, Kiel Center, and the Convention Center and Stadium Complex. Also included is the first year of debt retirement payments on a lease purchase of rolling stock and a general obligation bond issue that provided for the replacement of firefighting equipment along with other public safety improvements. Projects developed using Tax Increment Financing, with loan repayments generated by the project are also included in the budget proposal.

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

hospital and ambulatory care services for the medically indigent through a contractual arrangement with St. Louis ConnectCare, a private not-for-profit organization. The aforementioned \$5.0 million in the Health Care Trust fund will be used to fulfill this ongoing commitment. Additionally, Health and Human Services program spending is supported by \$11.0 million in general revenue and \$31.9 million in federal and state grants.

## SUMMARY

In summary, the total budget appropriation for FY2001 is \$730.7 million. Over 50%, or \$388.0 million, is appropriated from general revenue to pay for day-to-day City operations. City general funds are supplemented by approximately \$60 million in grants from State and Federal Sources. The remainder of the budget comes from a variety of special and enterprise funds maintained by the City in compliance with specific ordinances or agreements. The allocation

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of these funds is designed to make the City of St. Louis a more desirable place to live, work, and do business. The allocation also reflects the City administration's goal of providing an effective and responsive City government as well as one that can deliver a wide range of recreational, entertaining, and cultural experiences. The service enhancements and infrastructure improvements funded in this plan will promote growth in future economic activity, which will in turn produce tangible results in jobs and fiscal stability.

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### GENERAL FUND OVERVIEW

#### Sources of Funds

The operating revenues available for appropriation for general fund obligations will rise in FY2001 by 3.4% over the revised FY2000 estimate to \$388.1 million. Over 40% of the increased revenue results from steady growth in the Earnings and Payroll taxes, emphasizing the importance to the City of retaining existing jobs, as well as encouraging job creation. These two taxes will account for \$154.1 million or 40% of all general fund revenue in FY2001. Property tax revenues are forecast to increase by 3.8% reflecting increased assessed value of both real estate and personal property. General sales tax revenues are forecast to grow at slightly less than 3%, in line with the most recent historical pattern indicated by quarterly collection data. Intergovernmental revenues will be slightly higher resulting from an increase in the per diem reimbursement for housing of state prisoners and juvenile detainees, and

steady growth in motor vehicle sales taxes.

The expected increase in Franchise and Utility tax revenue of \$1.8 million results from an expected return to more seasonal weather patterns. Also reflected in this category is the impact of a settlement reached with Southwestern Bell, which allows the City to have input into the taxable status of new services and the resulting growth in current revenues. Fees for licenses and permits will increase by 4.1% overall with the greatest impact coming from those licenses that are gross receipts based rather than unit based, and the inclusion of professional football ticket gross receipts into the general fund.

#### Uses of Funds

The FY2001 Annual Operating Plan includes a General Fund budget that seeks to provide for continued and enhanced neighborhood stabilization and an allocation scheme designed to ensure that City departments charged with service delivery are provided with the necessary

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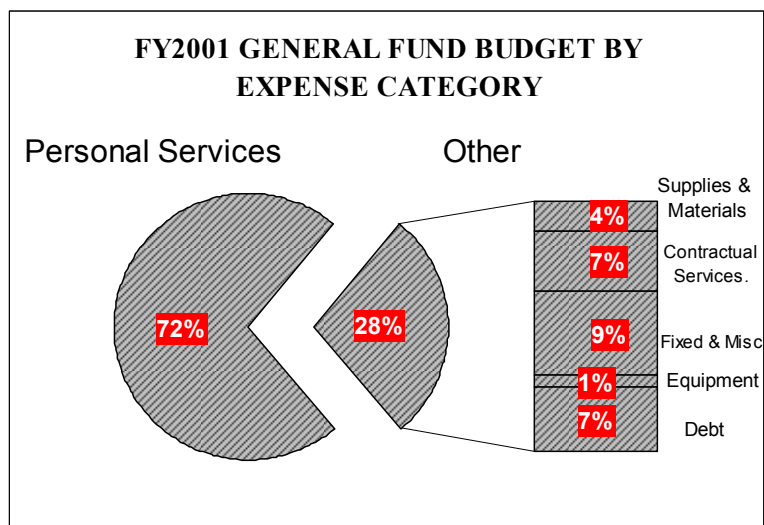
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resources to fulfill their missions. Major highlights that differentiate this year's plan from that of last year have been identified in a previous table. These include the allocation of funds sufficient to meet the City's debt service requirements, as well as other contractual obligations. Personnel costs represent 72% of the general fund budget and include the impact of cost of living adjustments granted to employees as well as other benefit increases. The proposal reflects commitment of funds to long term health care and economic development.

Operationally, the City will continue to

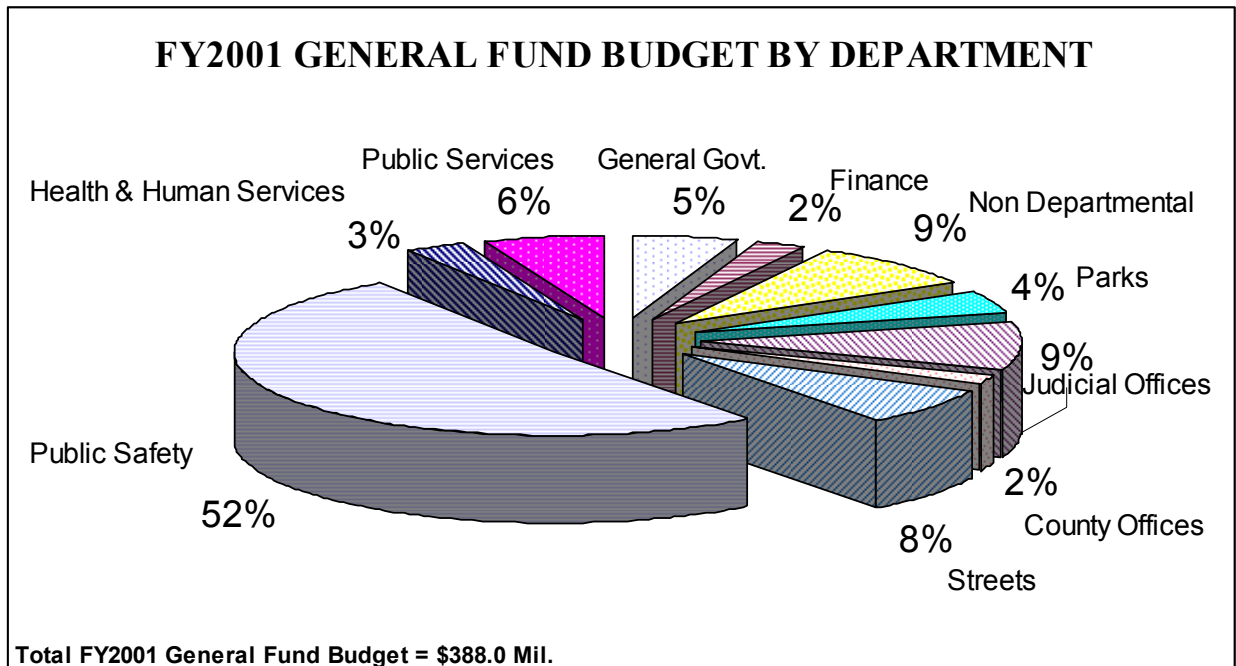
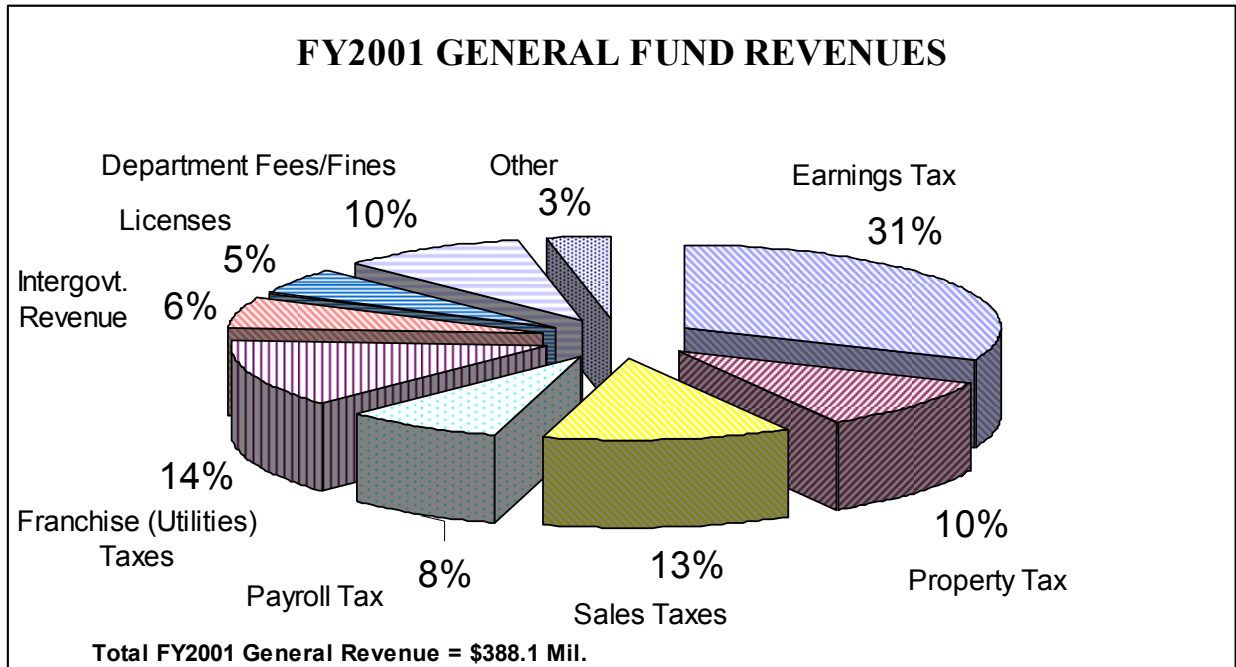
contractually provide for housing for prisoners formerly housed at the City Jail, and will assume maintenance of the old Federal Courthouse midway during the year.

The general fund budget as proposed is in balance with available revenues. However, a balanced budget in FY2001 includes the use of non-recurring revenues such as funds that have built up over a period of years. One-time revenues in this budget were intentionally linked to capital improvement projects in order to provide flexibility in the development of future budgets



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The following charts illustrate the sources and uses of funds



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### Projected Operating Results

Based on the expected operating revenue and the proposed appropriations previously identified, the operating revenues will exceed the budget by

approximately \$86,000. The table below shows the expected results from operations in FY2001.

Estimated Revenue	\$388,050,000
General Fund Appropriations	<u>387,964,059</u>
Results from operations	<u><u>\$85,941</u></u>

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### CAPITAL IMPROVEMENTS

The City of St. Louis Capital Committee has developed a five-year Capital Improvements Plan containing projects that have an estimated cost of \$400 million. These projects will be funded through a combination of local, state and federal funds. Over the five year period, an estimated \$185 million will be appropriated for cash payments and debt service requirements, and in some cases the local matching share for road and bridge repair projects and major flood protection projects. The FY2001 Capital Budget funds the first year of the plan with a recommended appropriation of \$39.5 million. The one-half cent sales tax for capital improvement will generate \$18.0 million in FY2001 or nearly 50% of the total revenue. Other revenues supporting the capital budget include \$8.8 million from the general fund, \$4.0 million from projected gaming revenues, \$2.6 million in special project grants, \$2.3 million in interest earnings, \$1.8 million from gasoline tax revenue, and \$2.0 million

from various other sources.

Capital expenses planned for FY2001 include those for projects designed to further the City's goal of stabilizing neighborhoods as well as increasing the efficiency of service delivery through replacement of vital equipment required to deliver those services. Also included are funds necessary to comply with federal mandates regarding environmental hazards such as lead and asbestos abatement, and treatment of former underground tank sites. The major categories of planned capital expenses are presented below:

- **Ward Improvements - \$9.0 million**

Each of the City's 28 wards will be allocated \$321,400 for projects such as neighborhood park improvements, street resurfacing, street lighting enhancements, and refuse container replacement. Actual projects will be determined by the ward alderman subject to approval by the Board of Estimate and Apportionment.

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- **Major Parks and Recreation Centers**

- **\$6.2 million:** The City's six major parks, Forest, Tower Grove, Carondelet, Fairgrounds, O'Fallon, and Willmore will share \$5.7 million. Planned projects include roadway repairs, skating rink renovations, and improvements to tennis courts. A total of \$0.5 million will be expended on recreation centers for projects such as swimming pool repairs and building modifications to comply with ADA standards.

- **Facility Improvements - \$15.9 million:**

- Funds categorized as being for facility improvements will service previously incurred debt on the Justice Center and the Civil Courts Building. In addition, improvements are planned for several other city facilities including Soulard Market, Municipal Garage, City Hall, Medium Security Institution and the Missouri Theatre Building which houses the Health & Hospitals Department. Repairs are also

scheduled for the floodwall to enhance protection from potential future flooding of both River des Peres and the Mississippi River.

- **Equipment Replacement - \$3.2 million:**

- Planned expenditures include replacement of rolling stock necessary to the refuse collection and street cleaning operations along with other vehicle replacements. A five-year lease purchase will be used for a replacement of rolling stock at \$2.1 million annually. Replacement and upgrading of computer and communication equipment is also included at a cost of \$0.5 million.

- **Bridge and Street Improvements - \$3.6 million:**

- Twenty bridge and street improvement projects are funded in conjunction with the federal ISTEA program. The City's share of those projects averages 20% of the total cost. This category also includes funds for unforeseen bridge repairs, which are not eligible for the federal cost sharing

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arrangement, as well as any planned arterial street resurfacing.

programs and identifies outputs and projected performance levels.

## BUDGET FORMAT

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

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

**Department and Program Budgets** This section is divided by major City departments. Each department begins with a summary of budget statistics and is followed by division and program budgets within each department.

The division and program budgets are presented in a format that contains narrative information about respective

**Capital Improvements:** The City's FY2001 Capital Budget and Capital Improvement Plan are presented in this section. A detailed discussion of the five-year plan and description for each capital project are being submitted under a separate cover.

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

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### **BUDGET OVERVIEW**

This section presents summary information on the FY2001 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 FY2001.

### **ECONOMIC OUTLOOK**

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

The U.S. economy is headed to its eighth consecutive year of real growth of at least 2% as measured by real Gross Domestic Product (GDP). For 1999, real GDP growth is estimated at 3.9%, a continuation of solid economic expansion

achieved with relatively little price inflation. The inflation rate is expected to remain in the 2.5% range, while the unemployment rate is forecast to remain below 5%, which is quite low by recent historical standards. In summary, while a recession is not likely, the U. S. economy will be hard pressed to repeat the performance of recent years.

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

The State of Missouri has enjoyed a vibrant and growing economy over the last six years. The unemployment rate as of the last quarter of 1999 was 2.3% compared with the national rate of 3.8%. During that period, there were over 2.8 million Missourians employed, and increase of approximately 7% in the last 6 years. Again in 1999, an increasing number of companies expanded their operations in Missouri. In 2000, Missouri should continue to see companies investing in facilities in the State. Personal income growth in the state is projected at 4.8% for 2000, about even with the past

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two years.

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

The City of St. Louis is the core of an eleven county metropolitan area covering parts of both Missouri and Illinois, and as such is the employment and entertainment center of an area containing a population of 2.6 million residents. It is also the office center of the region with approximately 38% of the area 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. According to information supplied by the Missouri Division of Employment Security, total non-agricultural jobs in the metropolitan area have increased by approximately 7,000 in the past two years. Although the distribution of jobs across industry sectors has resulted in a decline in the City's share of jobs in the metropolitan area, the City remains a significant source of jobs in the region with nearly 25% of all the jobs. Job growth in the City has been concentrated in the service sector and the expectation is

that long term employment growth in the City will be in the areas of medical services, business services, as well as the convention and tourism business.

Following the national trend, medical service providers in the St. Louis area have merged. One of the resulting corporations, Barnes-Jewish Medical Center, which has its headquarters in the City, has recently approved a \$350 million campus integration plan to include in-patient acute care, ambulatory care and a cancer treatment center. According to the Regional Commerce and Growth Association (RCGA), this project once completed will inject an estimated \$428 million into the local economy and provide employment for more than 4,700 employees, creating income of approximately \$145.6 million annually.

The Board of Aldermen of the City has approved a master plan for development of a 1.3 million square feet site situated in the heart of the City directly across from historic Forest Park. The development will include prime office space, restaurants, and shops to service

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both campus workers and park visitors, and a Forest Park Visitor's Center as a cultural anchor. The final development will complement rather than compete with Downtown St. Louis by targeting firms that would otherwise locate in outlying suburban areas. It is anticipated that once fully occupied, the office campus and surrounding venues will have added hundreds of jobs to the City's tax rolls as well as increasing the assessed value of property in the City.

A development action plan has been approved for downtown St. Louis that will add approximately \$1.0 billion in private investment. One project in the plan which is currently underway is redevelopment of a 12 acre site into a luxury hotel and office complex valued at \$300 million. This complex will complement a recently completed Drury Hotels project which added 370 deluxe hotel rooms in downtown.

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

Through the provision of city

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### **FY2001 OPERATING PLAN FUND GROUPS**

The general appropriation for the City of St. Louis for FY2001 totals \$730.7 million. In addition to this appropriation, there are funds such as the Community Development Block grant and the Street Improvement funds among others that are appropriated separately. The following is a brief description of the major funds subject to appropriation followed by tables illustrating recent revenue and expenditure history as well as projected performance in FY2001.

#### **General Fund**

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

as more visible services such as police and fire protection, emergency and other medical services and maintenance of parks and streets.

#### **Special Revenue Funds**

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

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The employee benefits fund is an agency fund in that it administers expenditures for the City's various health plans funded by appropriations from other City funds as well as contributions from City employees.

### **Enterprise Funds**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises --where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The major enterprise funds in the City are the Water Division and Airport operations.

The Parking Meter Division is also operated as an enterprise fund.

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

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

## FY2001 REVENUE SUMMARY - ALL FUNDS

(in millions)

	FY99 Actual	FY00 Revised	FY01 Budget	Percent Change FY00-01
<b>General Fund</b>				
Earnings Tax	\$114.1	\$118.0	\$122.1	3.4%
Property Tax	38.8	37.8	39.2	3.8%
Sales Tax	47.3	48.1	49.5	2.8%
Payroll Tax	29.5	30.7	32.0	4.3%
Franchise (Utilities) Taxes	53.5	50.5	52.4	3.7%
Other Taxes	1.8	1.9	2.0	5.3%
License Fees	19.7	20.0	20.8	3.9%
Grants & Intergovernmental Revenues	21.6	22.1	22.2	0.5%
Department User Fees and Fines	31.2	34.2	37.3	8.9%
Transfers	10.5	11.2	10.6	-5.6%
	\$367.9	\$374.6	\$388.1	3.6%
<b>Special Revenue Funds</b>				
Property Tax	\$2.3	\$1.8	\$7.7	321.8%
Sales Tax	0.4	0.9	1.1	32.9%
Franchise (Utilities) Taxes	4.2	4.2	4.2	-0.4%
Other Taxes	8.7	8.3	8.8	6.2%
License Fees	1.0	1.2	0.0	-100.0%
Grants & Intergovernmental Revenues	38.7	65.1	68.5	5.1%
Department User Fees and Fines	24.5	31.3	32.3	2.9%
Transfers	1.2	1.2	1.8	56.5%
Other Resources	2.7	10.7	13.7	28.1%
	\$83.5	\$124.7	\$138.1	10.8%
<b>Capital Improvements Funds</b>				
1/2 Cent Sales Tax	\$17.4	\$17.5	\$18.0	2.8%
Grants & Intergovernmental Revenues	1.8	1.8	4.3	147.1%
Transfers	10.4	13.0	12.9	-0.8%
Other Resources	4.4	1.1	3.2	183.6%
Previous Year General Fund Surplus	5.0	3.0	1.0	-66.7%
	\$39.0	\$36.4	\$39.5	8.4%
<b>Enterprise Funds</b>				
Franchise (Utilities) Taxes	\$3.7	\$4.0	\$3.7	-8.6%
Enterprise Revenues	161.4	167.1	169.1	1.2%
Other Resources	0.0	0.7	0.7	0.0%
	\$165.0	\$171.8	\$173.4	0.9%
	<b>\$655.4</b>	<b>\$707.5</b>	<b>\$739.0</b>	<b>4.5%</b>
<b>Funds Appropriated Separately</b>				
Community Development (CDBG) & Housing Grants	\$41.5	\$38.1	\$36.3	-4.8%
Street Improvement Fund	4.6	4.7	4.7	-0.9%
Parking Division Revenues	9.3	9.0	9.0	0.0%
Transportation Fund Revenues	26.1	26.5	30.3	14.2%
	\$81.5	\$78.3	\$80.2	2.4%
	<b>\$736.9</b>	<b>\$785.8</b>	<b>\$819.2</b>	<b>4.3%</b>

**FY2001 BUDGET SUMMARY - ALL FUNDS**  
(in millions)

Fund	FY99 Actual	FY00 Budget	FY01 Budget	Percent Change FY00-01
<b>General Fund</b>	\$364.9	\$372.4	\$388.0	4.2%
<b>Special Revenue Funds</b>				
Debt Service Fund	\$2.2	\$0.0	\$5.7	n/a
Capital Fund	\$38.0	\$35.9	\$39.5	9.9%
Assessment Fund	\$3.3	\$3.5	\$3.6	5.0%
Employee Benefits Fund	\$17.1	\$24.8	\$25.2	1.5%
Convention and Tourism Fund	\$3.5	\$3.6	\$4.0	11.1%
Lateral Sewer Fund	\$3.1	\$3.6	\$3.5	-1.5%
Cable Communications Fund	\$1.3	\$1.4	\$1.4	5.2%
Port Authority	\$2.5	\$2.2	\$3.2	45.6%
Riverfront Gaming Fund	\$3.7	\$3.7	\$4.9	34.0%
Convention and Sport Facility Trust Fund	\$5.3	\$4.9	\$4.7	-5.1%
Health Care Trust Fund	\$0.0	\$6.1	\$5.0	-18.0%
Other Special Revenue Funds	\$5.5	\$9.2	\$14.4	56.5%
	\$85.4	\$98.7	\$115.0	16.5%
<b>Grant Funds</b>				
St. Louis Agency on Training and Employment	\$6.5	\$12.0	\$11.8	-1.5%
Health and Human Services	\$21.1	\$30.4	\$32.5	6.8%
Police Department	\$5.3	\$7.3	\$6.7	-9.1%
Community Dev. Planning & Administration	\$0.0	\$3.2	\$4.7	N/A
Other Grants	\$5.5	\$6.8	\$6.7	-0.7%
	\$38.5	\$56.4	\$62.3	10.4%
<b>Enterprise Funds</b>				
Water Division	\$38.6	\$44.2	\$44.2	-0.1%
Airport Authority	\$112.1	\$118.3	\$121.2	2.5%
	\$150.8	\$162.5	\$165.4	1.8%
<b>Total General Appropriation</b>	<b>\$639.6</b>	<b>\$693.2</b>	<b>\$730.7</b>	<b>5.4%</b>
<b>Separate Appropriations <sup>1</sup></b>				
Community Development Programming	\$36.5	\$38.1	\$36.2	-5.0%
Street Improvement Fund	\$4.6	\$4.7	\$4.7	0.0%
Parking Division Funds	\$8.0	\$7.1	\$8.8	23.9%
Transportation Trust Funds	\$27.0	\$29.4	\$30.3	3.1%
	\$76.0	\$79.3	\$80.0	0.9%
<b>Total Appropriations</b>	<b>\$715.6</b>	<b>\$772.5</b>	<b>\$810.6</b>	<b>4.9%</b>

<sup>1</sup> CDBG & housing grants and Street Improvement funds appropriations are for calendar years 1998, 1999, and 2000 and are appropriated separately. Spending for any one grant year appropriation may occur over a period of several years.

**FY2001 BUDGET - ALL FUNDS  
BY DEPARTMENT**

Department	General Fund	Special Funds Revenue	Special Funds Grant	Enterprise Funds	Total Funds
<b>GENERAL GOVERNMENT</b>					
110 Board of Aldermen	2,023,626	-	-	-	2,023,626
120 Mayor's Office	2,124,358	-	-	-	2,124,358
121 St. Louis Agency on Training and Emp.	183,532	-	11,789,267	-	11,972,799
123 Department of Personnel	3,050,397	-	-	-	3,050,397
Employee Benefits Fund	-	25,166,777	-	-	25,166,777
124 Register	116,508	-	-	-	116,508
126 Civil Rights Enforcement Agency	455,739	-	103,668	-	559,407
130 Soldier's Memorial	0	-	-	-	0
137 Budget Division	4,758,123	500,000	-	-	5,258,123
139 City Counselor	7,706,727	-	375,884	-	8,082,611
141 Planing and Urban Design	-	-	1,657,849	-	1,657,849
142 Community Development Administration	-	-	3,034,975	-	3,034,975
<b>Subtotal</b>	<b>20,419,010</b>	<b>25,666,777</b>	<b>16,961,643</b>	<b>-</b>	<b>63,047,430</b>
<b>FINANCE</b>					
160 Comptroller	7,075,446	-	-	-	7,075,446
Lateral Sewer Fund	-	47,467	-	-	47,467
Columbia Bottoms	-	5,000	-	-	5,000
Tax Increment Financings	-	1,894,136	-	-	1,894,136
Trustee Lease Fund	-	4,149,220	-	-	4,149,220
162 Municipal Garage	222,765	-	-	-	222,765
163 Microfilm	306,239	-	-	-	306,239
170 Supply Commissioner	548,259	-	-	-	548,259
171 Multigraph	1,294,236	-	-	-	1,294,236
172 Mail Room	-	827,450	-	-	827,450
180 Assessor	-	3,627,974	-	-	3,627,974
<b>Subtotal</b>	<b>9,446,945</b>	<b>10,551,247</b>	<b>-</b>	<b>-</b>	<b>19,998,192</b>
<b>NON-DEPARTMENTAL</b>					
190 City Wide Accounts	34,637,700	-	-	-	34,637,700
Convention and Tourism Fund	-	4,000,000	-	-	4,000,000
Riverfront Gaming Fund	-	4,900,000	-	-	4,900,000
<b>Subtotal</b>	<b>34,637,700</b>	<b>8,900,000</b>	<b>-</b>	<b>-</b>	<b>43,537,700</b>
<b>PARKS, RECREATION &amp; FORESTRY</b>					
210 Director, Parks, Recreation and Forestry	330,993	-	265,000	-	595,993
213 Division of Recreation	2,495,092	-	-	-	2,495,092
214 Division of Forestry	5,556,088	-	-	-	5,556,088
220 Division of Parks	8,261,811	-	-	-	8,261,811
250 Tower Grove Park	657,500	-	-	-	657,500
<b>Subtotal</b>	<b>17,301,484</b>	<b>-</b>	<b>265,000</b>	<b>-</b>	<b>17,566,484</b>
<b>JUDICIAL OFFICES</b>					
310 Circuit Clerk	1,290,038	-	-	-	1,290,038
311 Circuit Court	5,504,727	-	-	-	5,504,727
312 Circuit Attorney	4,755,944	1,392,595	205,926	-	6,354,465
313 Board of Jury Supervisors	1,407,581	-	-	-	1,407,581
314 Probate Court	105,750	-	-	-	105,750
315 Sheriff	6,513,571	-	-	-	6,513,571
316 City Courts	2,670,474	-	-	-	2,670,474
317 City Marshal	1,162,164	-	-	-	1,162,164
320 Probation and Juvenile Detention Center	12,654,798	-	-	-	12,654,798
321 Circuit Drug Court	396,525	-	-	-	396,525
<b>Subtotal</b>	<b>36,461,572</b>	<b>1,392,595</b>	<b>205,926</b>	<b>-</b>	<b>38,060,093</b>
<b>COUNTY OFFICES</b>					
330 Tax Equalization Board	16,900	-	-	-	16,900
331 License Collector	-	7,591,882	-	-	7,591,882
333 Recorder of Deeds	1,601,171	-	-	-	1,601,171
334 Board of Election Commissioners	2,594,520	-	-	-	2,594,520
335 Medical Examiner	1,370,232	-	100,000	-	1,470,232
340 Treasurer	636,109	-	-	-	636,109
<b>Subtotal</b>	<b>6,218,932</b>	<b>7,591,882</b>	<b>100,000</b>	<b>-</b>	<b>13,910,814</b>

**FY2001 BUDGET - ALL FUNDS  
BY DEPARTMENT**

Department	General Fund	Special Funds Revenue	Special Funds Grant	Enterprise Funds	Total Funds
<b>PUBLIC UTILITIES</b>					
401 Cable Communications	-	1,425,144	-	-	1,425,144
414 Soulard Market	264,051	-	-	-	264,051
415 Water Division	-	-	-	44,154,038	44,154,038
420 Airport Authority	-	-	-	121,206,980	121,206,980
<b>Subtotal</b>	<b>264,051</b>	<b>1,425,144</b>	<b>-</b>	<b>165,361,018</b>	<b>167,050,213</b>
<b>STREETS</b>					
510 Director of Streets	772,023	-	-	-	4,225,459
Lateral Sewer Fund	-	3,453,436	-	-	
511 Traffic and Lighting	7,314,755	-	-	-	7,314,755
513 Auto Towing and Storage	1,383,775	-	-	-	1,383,775
514 Street Division	6,125,497	-	-	-	6,125,497
516 Refuse Division	14,357,155	-	318,790	-	14,675,945
520 Port Authority	-	3,170,000	-	-	3,170,000
<b>Subtotal</b>	<b>29,953,205</b>	<b>6,623,436</b>	<b>318,790</b>	<b>-</b>	<b>36,895,431</b>
<b>PUBLIC SAFETY</b>					
610 Director of Public Safety	567,181	-	-	-	567,181
611 Fire Department	42,934,567	25,000	-	-	42,959,567
612 Firefighter's Retirement System	5,752,566	-	-	-	5,752,566
615 Air Pollution Control	315,426	-	1,014,397	-	1,329,823
616 Excise Commissioner	278,787	-	-	-	278,787
620 Building Commissioner	8,576,998	1,928,933	-	-	10,505,931
622 Neighborhood Stabilization	2,200,507	-	4,043,320	-	6,243,827
625 City Emergency Management Agency	300,516	-	-	-	300,516
631 City Jail	0	-	-	-	0
632 Medium Security Institution	19,034,514	-	-	-	19,034,514
650 Police Department	118,303,537	496,175	6,168,987	-	124,968,699
651 Police Retirement System	245,478	-	-	-	245,478
<b>Subtotal</b>	<b>198,510,077</b>	<b>2,450,108</b>	<b>11,226,704</b>	<b>-</b>	<b>212,186,889</b>
<b>HEALTH AND HOSPITALS</b>					
700 Director, Health and Hospitals	473,977	-	144,060	-	618,037
710 Health Commissioner	810,842	-	6,415,123	-	7,225,965
711 Communicable Disease Control	1,556,053	-	3,412,546	-	4,968,599
712 School Health	959,049	-	336,781	-	1,295,830
713 Public Health Laboratory	526,237	-	37,387	-	563,624
714 Animal Regulation Center	643,236	-	-	-	643,236
715 Community Environmental Health	1,659,095	-	-	-	1,659,095
716 Lead Poisoning Control	278,416	-	384,074	-	662,490
717 Biostatistics/Vital Records	432,032	-	-	-	432,032
719 Immunization Service	425,488	-	-	-	425,488
720 Food Control	547,765	-	-	-	547,765
721 Health Promotion/Education	489,580	-	1,419,263	-	1,908,843
737 Health Care Trust Fund	-	5,000,000	-	-	5,000,000
<b>Subtotal</b>	<b>8,801,770</b>	<b>5,000,000</b>	<b>12,149,234</b>	<b>-</b>	<b>25,951,004</b>
<b>HUMAN SERVICES</b>					
800 Director of Human Services	2,211,381	212,500	20,097,362	-	22,521,243
<b>Subtotal</b>	<b>2,211,381</b>	<b>212,500</b>	<b>20,097,362</b>	<b>-</b>	<b>22,521,243</b>
<b>BOARD OF PUBLIC SERVICE</b>					
900 President, Board of Public Service	5,404,854	1,039,505	-	-	6,444,359
903 Facilities Management	8,798,920	-	-	-	8,798,920
910 Equipment Services Division	9,373,199	-	-	-	9,373,199
930 Soldier's Memorial	160,959	-	-	-	160,959
<b>Subtotal</b>	<b>23,737,932</b>	<b>1,039,505</b>	<b>-</b>	<b>-</b>	<b>24,777,437</b>
<b>CAPITAL IMPROVEMENTS FUND</b>					
	-	39,454,640	-	-	39,454,640
<b>DEBT SERVICE FUND</b>					
	-	5,697,998	-	-	5,697,998
<b>TOTAL BUDGET</b>	<b>\$387,964,059</b>	<b>\$116,005,832</b>	<b>\$61,324,659</b>	<b>\$165,361,018</b>	<b>\$730,655,568</b>

**FY2001 BUDGET SUMMARY BY FUND (in million \$)**

Sources and Uses	General Fund	Child Support Fund	Building Demolition Fund	Assessment Fund	Battered		Lateral Sewer Fund	1119 Special Funds	Riverboat Gaming Fund	SLATE	Community Development Agency *
					Persons Shelter Fund	Communica-tions Fund					
<b>Projected Beginning Fund Balance</b>	<b>\$19.920</b>	<b>\$0.300</b>	<b>\$3.300</b>	<b>\$0.408</b>	<b>\$0.476</b>	<b>\$0.854</b>	<b>\$3.711</b>	<b>\$8.993</b>	<b>\$0.200</b>	<b>n/a</b>	<b>n/a</b>
<b>Revenues</b>											
Earnings Tax	122.100	--	--	--	--	--	--	--	--	--	--
Property Tax	39.214	--	--	0.940	--	--	--	--	--	--	--
Sales Tax	49.500	--	--	--	--	--	--	--	--	--	--
Motor Vehicle Sales Tax	4.100	--	--	--	--	--	--	--	--	--	--
Gasoline Tax	10.100	--	--	--	--	--	--	--	--	--	--
Payroll Tax	32.000	--	--	--	--	--	--	--	--	--	--
Franchise (Utilities) Taxes	52.374	--	--	--	--	1.400	2.750	--	--	--	--
Restaurant Taxes	2.000	--	--	--	--	--	--	--	--	--	--
3.5% Hotel Sales Tax	--	--	--	--	--	--	--	--	--	--	--
Other Taxes	0.300	--	--	--	--	--	--	--	--	--	--
License Fees	20.761	--	--	--	--	--	--	--	--	--	--
Enterprise Revenues	--	--	--	--	--	--	--	--	--	--	--
Grants / Other Intergovt. Revenues	7.751	1.350	--	0.839	--	--	--	--	5.200	10.371	36.282
Dept. User Fees, Fines & Other Rev.	37.275	--	1.650	0.119	0.180	--	--	4.954	--	--	--
Transfers In	10.575	--	--	1.550	--	--	--	--	--	--	--
Other Resources	--	--	--	--	--	--	0.225	5.000	--	--	--
<b>Total Sources of Funds</b>	<b>\$388.050</b>	<b>\$1.350</b>	<b>\$1.650</b>	<b>\$3.448</b>	<b>\$0.180</b>	<b>\$1.400</b>	<b>\$2.975</b>	<b>\$9.954</b>	<b>\$5.200</b>	<b>\$10.371</b>	<b>\$36.282</b>
<b>Appropriations</b>											
Personal Services	279.328	0.850	0.279	2.987	--	0.909	0.322	1.214	0.496	1.418	4.096
Supplies	8.780	0.037	0.010	0.019	--	0.017	0.005	0.025	0.010	0.155	0.029
Materials	4.669	--	0.085	--	--	0.000	0.002	--	--	--	--
Equipment (less lease debt)	4.981	0.076	0.012	0.033	--	0.542	0.181	--	0.013	--	0.078
Contractual Services	26.228	0.159	1.500	0.321	--	0.306	0.092	0.183	0.003	0.516	32.079
Fixed & Misc. Charges	32.832	--	--	0.268	0.150	0.151	2.900	8.250	0.650	8.282	0.000
Debt Service (plus lease debt)	21.771	--	--	--	--	--	--	--	--	--	--
Transfers Out :											
Capital Lease Payments	6.400	--	--	--	--	--	--	--	--	--	--
Other Transfers Out	2.975	0.500	1.100	--	0.063	--	--	0.175	4.250	--	--
<b>Total Uses of Funds</b>	<b>\$387.964</b>	<b>\$1.622</b>	<b>\$2.986</b>	<b>\$3.628</b>	<b>\$0.213</b>	<b>\$1.925</b>	<b>\$3.502</b>	<b>\$9.847</b>	<b>\$5.422</b>	<b>\$10.371</b>	<b>\$36.282</b>
<b>Projected Ending Fund Balance</b>	<b>\$20.006</b>	<b>\$0.028</b>	<b>\$1.964</b>	<b>\$0.228</b>	<b>\$0.444</b>	<b>\$0.329</b>	<b>\$3.185</b>	<b>\$9.100</b>	<b>(\$0.021)</b>	<b>\$0.000</b>	<b>\$0.000</b>
nb: Fund balances exclude 27th pay reserves and other designated balances.											

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

## SUMMARY AND OVERVIEW

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### FY2001 GENERAL FUND BUDGET

The FY2001 proposed general fund budget is \$388.0 million, an increase of 4.2% over that of FY2000. The allocation of these funds has been developed in such a way as to maintain existing services and properly fund all fixed obligations, while accommodating the changing dynamics among the market forces that ultimately drive the budget process. The proposed allocation scheme continues to place emphasis on Neighborhood Stabilization and Public Safety as its primary focus areas. Additionally, the proposal accommodates all fixed obligations, including debt service costs, mandated costs imposed by state statutes, and contractual commitments. Remaining resources have been allocated across departments in a manner designed to encourage operational efficiencies in the delivery of services and to begin to put the City in a position to fund the necessary changes to the way certain services will be delivered in the future.

In order to provide services of the quality that users have come to expect the City must continue to attract and retain a skilled workforce. For the first time in approximately twenty years, the City has commissioned a comprehensive examination of all its job classifications and salary schedules. As a result of the findings of this examination, extensive revisions to the existing job classifications and salary schedules have been implemented. These revisions were put in place in an attempt to reflect market conditions in the Saint Louis metropolitan area. As a direct result of this effort, the largest area of increase in the FY2001 budget is in the area of compensation, with approximately 65% of the total increase in revenues being devoted to implementation of the classification and salary studies.

The general fund allocation for Police services is \$118.3 million and represents slightly more than 30% of the entire budget. Building on the success of the program of enhanced neighborhood

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police patrols initiated in the FY2000 budget, the allocation for Police services includes funds to expand the program by increasing the funding for overtime. The budget proposal also includes \$42.9 million for Fire and Emergency Medical services. While no new Fire Department services are contemplated, the proposed allocation represents an increase of 4.4%, due to the implementation of a new pay proposal and changes in federal regulations regarding the provision of medical supplies on emergency vehicles.

In recent budget proposals, the City has implemented new programs aimed at enhancing the stability of its neighborhoods. In addition to responding to actual and perceived problems related to public safety, new programs designed to improve the attractiveness of the neighborhoods were funded. These include a program to enhance street lighting in residential neighborhoods, the District Debris program to clean up and maintain vacant and abandoned property, and the Trash Task Force to reduce and

ultimately eliminate illegal dumping. Each of these programs has met with initial success and funds to continue these efforts have been incorporated into the operating budget proposal for FY2001.

Operational changes put in place in FY2000 to make more efficient use of existing personnel and equipment employed by the Equipment Services Division of the Department of Public Services and the Corrections Division of the Department of Public Safety have been retained and are funded in the proposed budget. In the case of the Equipment Services Division, which undertook to provide repairs to emergency medical vehicles in-house rather than by contract, additional funds have been allocated based on the experience of the current year. The Corrections Division will continue to provide inmate housing by contract with St. Louis County during the construction stage of the City's new Justice Center. This arrangement allows the City to demolish the existing 85-year-old Jail building and avoid costly operating costs

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and facility repairs. The FY2001 proposal also contemplates that City will assume ownership of the nearby federal courthouse about midway during the fiscal year and includes transitional funding to facilitate this process.

In the FY20001 budget proposal, the practice of allocating general fund revenues to finance and maintain public improvements is continued. This includes \$1.0 million to retire debt associated with the Kiel Center, \$5.0 million to retire debt on the TWA Dome, and \$11.9 for debt on the Convention Center. Aside from these debt service payments, \$1.0 million and \$2.0 million allocations are included to preserve the assets at the TWA Dome and Convention Center, respectively. In addition to these direct payments from the general fund budget, a total of \$7.8 million will be transferred to the Capital Improvements Fund to offset debt service requirements on the Justice Center and Civil Courts Building and to provide matching funds for major road and bridge repairs.

Fixed increases accommodated in the FY2001 budget include the impact of a new pay plan for civil service and at will employees that will provide for a 3% cost of living increase. For commissioned police officers and firefighters, the budget proposal provides for a cost of living increase of either 3% or 5% depending on length of service. Increases included in the budget estimates of the Circuit Court require the City to budget for new programs, new employees, and questionable repairs to city owned buildings. These increases are funded as a result of statutory requirements to leave unaltered any budget estimates submitted by the Circuit Court. Negotiations between the City and the Circuit Court will continue during the budget review process, with the ultimate outcome of these negotiations determining the final budget appropriation.

The proposed budget increases are funded by increases in recurring revenues, decreases in some operating costs, and use

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of previously unappropriated fund balances. New and recurring revenues include state reimbursement for juvenile court operations and gross receipts tax on professional football games. Operating cost decreases include insurance requirements for the Convention Center, which will be paid in the future by the Convention and Visitors Commission, operating subsidies to the St. Louis Development Corporation, and a decrease in the cost to dispose of solid waste. The aforementioned unappropriated fund balances refers to interest that had accumulated in the debt service reserve fund established for repayment of the debt on the Civil Courts building and is being used in the FY2001 budget to augment the city's payment on this obligation.

employees at a cost of \$10.3 million.

- Increase in Justice Center debt cost of \$0.4 million.
- Increase in cost of communication software license fees of \$0.6 million.
- Liability insurance costs of \$0.4 million.
- Convention Center scheduled debt service increase of \$0.4 million
- Increase in subsidy for Truman Restorative Center of \$0.9 million.
- Cyclical increase for multiple elections year of \$1.1 million.
- Building maintenance costs of \$1.2 million resulting from purchase of Federal Courthouse.

Major changes in the FY2001 General Fund Budget include:

- Implementation of a new job classification and salary study at a cost of \$1.9 million.
- Pay and benefit increases for all

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### **FY2001 GENERAL FUND REVENUES**

Revenues available to support the budget for general operations are forecast at \$388.0 million. These recurring revenues are generated by a variety of sources, the most significant being taxes on employment. Other major revenue sources include taxes on property and retail sales, along with various business license fees and intergovernmental revenues from the State of Missouri. The remaining general fund revenues are comprised of departmental receipts for services rendered and fines resulting from ordinance violations.

Employment based taxes, a category which includes the earnings tax, payroll expense tax, and the graduated business license fee provide the largest share of general fund revenues. In FY2001, this group is expected to provide 42% of all general fund revenues and is forecast to grow at a rate of 3.5% over the revised estimate for FY2000. Of this group, the earnings tax applied to

individual's earnings and business profits is the most significant and is forecast to generate \$122.1 million in FY2001. The payroll expense tax, a function of total wages paid for work performed in the City, and the graduated business license fee, which is based on the number of full time equivalent workers in the City, are both key indicators of employment trends in the City. Together these two revenue sources are forecast to generate \$39.7 million in FY2001, a 3.6% change from the current year's revised estimate.

Property tax revenues are forecast to increase by 3.8% to \$39.2 million based on the expectation that real estate assessed value will continue to increase, albeit at a lower rate than the 5.3% growth experienced in FY2000. Retail sales taxes are expected to generate \$49.5 million, an amount that is nearly 3% higher than the current year's revised estimate and which is based on analysis of the most recent quarterly trends in collections. During the latest twelve-month period, sales tax revenues have increased by 6% over the

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proceeding twelve month period. Franchise taxes, a category which includes a gross receipts tax on privately owned utility companies and the City-owned Airport and Water Division, should provide \$52.6 million, an increase of nearly 4% over FY2000. While there are no rate increases incorporated into the forecast, the City will continue to benefit from an expansion of taxable services provided by telephone utilities. As in past years, the estimated receipts from the sale of natural gas and electricity is based on existing rates and average usage, with extreme weather conditions being factored out.

Revenues from sources associated with the hospitality and entertainment industry are also projected to be higher. As a group, these services which include the amusement, restaurant, parking and hotel taxes are expected to provide \$19.3 million. In addition to the underlying growth in these sources, FY2001 will be the first year in which revenues from professional football admissions will be

included in the general fund. Intergovernmental revenue will be slightly higher due to modest increases in the state automobile sales tax and the gasoline tax. Departmental user fees will increase by nearly 8%, mainly due to fee increases imposed in the current year along with increasing efficiency in collection activity. The following chart depicts the allocation of revenue sources supporting the general revenue budget for FY2001.

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### **Earnings and Payroll Tax**

Employment-based tax revenue, i.e., earnings and payroll taxes, continue to grow and provide the largest share of the City's general revenue. The concentration of metropolitan area jobs in the downtown St. Louis area and the stable outlook for employment throughout the area are the basis for our expectation of continued growth from these sources. The FY2001 revenue estimate projects growth of 3.4% for earnings tax and 4.3% for payroll tax, both of which are consistent with the recent trend. Earnings and payroll taxes are projected to provide \$122.1 and \$32.0 million, respectively. Together, these account for nearly 40% of the City's general fund revenues.

### **Tourism and Amusement Tax**

Convention and tourism based revenues such as restaurant and hotel taxes are projected to provide \$10.8 million, an increase from the current year's level of \$10.2 million. Actual growth in hotel and

restaurant receipts is expected to average about 3%. Previously collected revenues, which have been accumulating in a special fund, will be transferred in FY2001 accounting for the increase of nearly 6% to the general fund. Amusement tax revenues, which are a function of the prices paid for tickets purchased for sports events are expected to increase due to ticket price hikes and growing popularity evidenced by attendance figures. In FY2000 amusement taxes are projected to be \$4.8 million, up from \$4.6 million in FY1999, an increase of 4.3%. This increase includes taxes on professional football games that were previously allocated to a special fund to retire debt on a football practice facility.

### **Sales Tax**

Local sales tax revenues will account for approximately \$49.5 million based on the local tax rate of 1.375%. Sales tax revenue growth has increased in the last three-quarters and will surpass the original expected estimate. The FY2001 estimate calls for revenues to increase at a rate of

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slightly less than 3%, consistent with the recent established pattern.

### **Property Tax**

Property tax revenues, which will account for more than 10% of the general fund in FY2001, continue to provide an important piece of the general revenue pie. The forecast for next year recognizes the growth in the real estate assessments and the statutory prohibition against the realization of a revenue windfall resulting from reassessment of real property. Revenue from real property is allowed an increase limited to an accepted inflation index, plus any increases resulting from new construction. FY2001 revenues reflect the growth on a reduced tax base resulting from impact of transferring large apartment buildings from commercial to the residential real estate class that was implemented in FY1997.

### **Franchise Tax**

Revenues from franchise taxes are

forecast to increase by over 3% to \$52.6 million. Because these revenues are based on the gross receipts of utility companies, they are to a great extent dependent on changes in weather patterns, and to a lesser extent on regulatory agency actions. The increase in receipts forecast for FY2001 is due to a continued growth in telephone gross receipts tax resulting from a settlement agreement between Southwestern Bell and the City which allows for City input into the taxable status of new services.

### **License and Permits**

License and permit revenue is expected to increase from the current year's level, by approximately 4% with increases in gross receipts based licenses such as the ones levied on parking garages, sporting events, and building and occupancy permits. Some of the increase will be offset by an expected decrease in revenue from the cigarette license tax. Others, such as liquor, graduated business, and automobile licenses are forecast to remain

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at the current year's level.

### **Intergovernmental Revenues.**

Revenues received from the State include the motor vehicle sales tax and a gasoline tax, both of which are imposed statewide and distributed to local jurisdictions based on a statutory or constitutional formula. Because of increased automobile sales statewide, the distribution to the City of motor vehicle sales tax has been growing. This growth is projected to continue in FY2001. The distribution of gasoline tax revenues now includes a county portion for the City of St. Louis. The value of the county distribution is approximately \$500,000 per year.

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