



BUDGET PROCESS

Budget As Operating Plan

The budget 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. The fiscal year for the City of St. Louis runs from July 1 to June 30. In accordance with state law, the budget must be balanced when adopted.

Budget Basis

The General Fund and most special fund budgets are formulated on a modified accrual basis. Encumbrances, including outstanding purchase orders, are budgeted as expenses but revenues are recognized only when they are actually received. Enterprise fund appropriations including the Airport and Water Divisions are budgeted on a cash basis. Both expenditures and revenues are recognized when actually paid or received. The City's Comprehensive Annual Financial Report (CAFR) accounts for the City's finances according to generally accepted accounting principles (GAAP). This method differs from the budget basis primarily in that revenues are recognized when they are measurable and available as opposed to actually received and expenditures are recognized when the obligation is incurred rather than paid or encumbered. For this reason, the CAFR also contains financial statements expressed on a "budget" basis so that end-of-year results can be compared with the budget.

The Budget Process

- The budget process begins in the Fall when the Budget Division issues a request for departmental revenue estimates. The information submitted by the departments will be incorporated into the Budget Division's initial revenue estimate for the coming fiscal year.
- At the same time the department heads are asked to identify any new initiatives or programs so that they may be included in the budget planning process.



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- In January, having arrived at a preliminary revenue estimate for the coming fiscal year and incorporating any new initiatives or areas that will experience an increase in costs, the Budget Division issues budget allocations to departments.
 - Departments respond by submitting their budget requests and service level information to the Budget Division.
 - In February, the Budget Division holds budget meetings with the departments and the administration to discuss budget requests and, where necessary, reconcile discrepancies between allocations and requests.
 - Revenue estimates are continually updated throughout this period. In March, departmental budget proposals are adjusted to reflect the latest revenue projections.
 - In April, the Budget Division prepares the budget document and submits its proposed budget to the Board of Estimate and Apportionment, (E&A) comprised of the Mayor, the Comptroller and the President of the Board of Aldermen. The Board of E&A reviews the proposed budget, holds hearings with departments and conducts a public hearing at which citizens may voice their concerns. Following the hearings, the Board of E&A may recommend changes to the proposed budget.

Next Steps - Charter Requirements

- The Board of E&A must submit its proposed budget to the Board of Aldermen not less than 60 days prior to the beginning of the fiscal year, or May 1.
- During May and June, the Ways and Means Committee of the Board of Aldermen conducts public hearings on each segment of the proposed budget prior to taking any action. The proposed budget is reviewed and then considered by the Board of Aldermen.



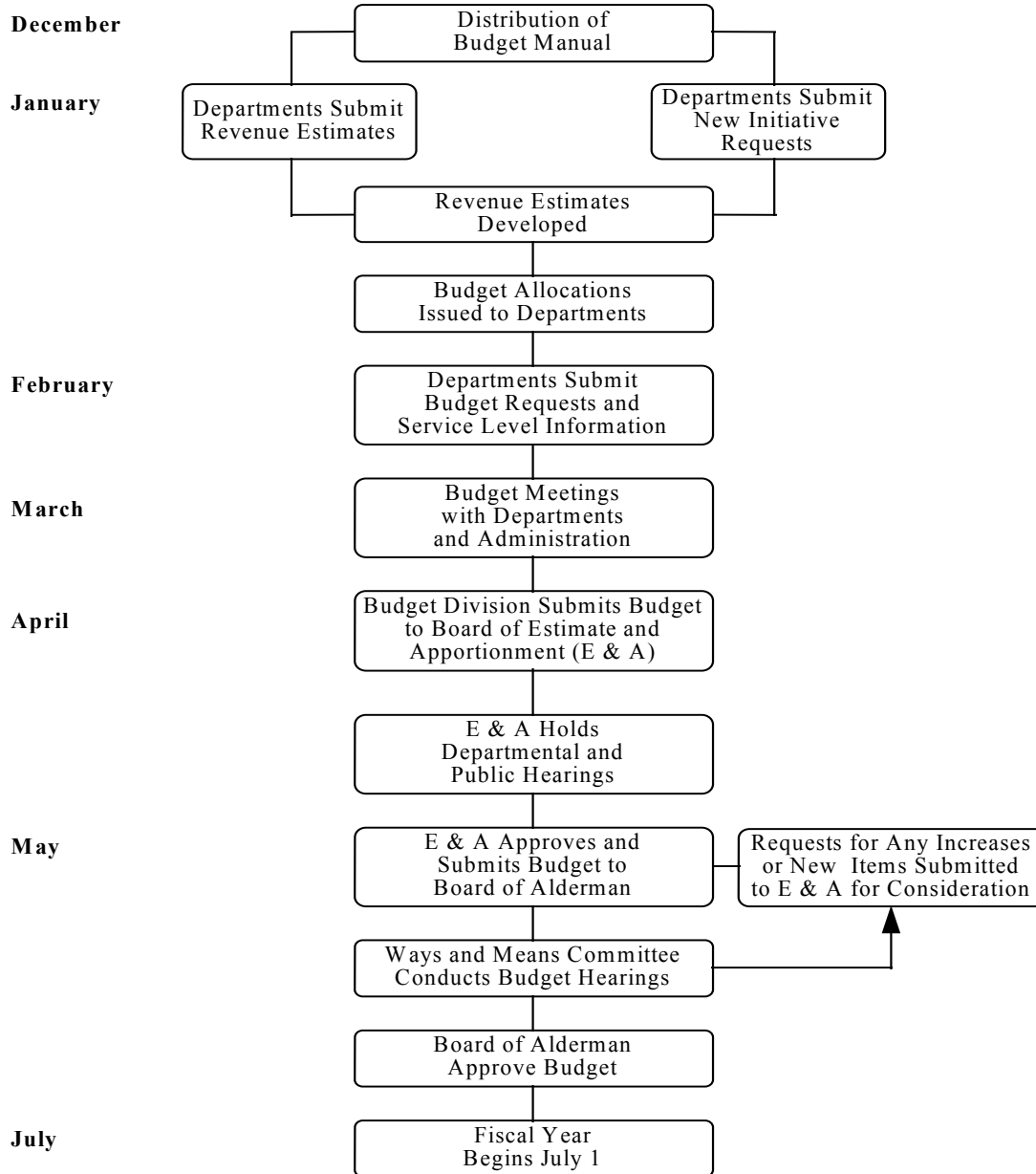
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- The Board of Aldermen may reduce the amount of any item in a budget bill, except amounts fixed by statute or ordinance obligations. The Board of Aldermen may not increase any appropriation amount nor insert new items unless specifically approved by the Board of E&A. (As a general rule, should increases for particular items be desired, the Ways and Means committee will submit a list of items for the Board of E&A to consider, with which it may or may not agree.)
 - If the Board of E&A does not submit its proposed budget to the Board of Aldermen by May 1, the Budget Director would be required to submit a budget directly to the Board of Aldermen.
 - If the Board of Aldermen does not approve a budget by the beginning of the fiscal year, the proposed budget by the Board of E&A or, in its absence, the submission by the Budget Director, shall be deemed to have been approved by the Board of Aldermen.

Budget / Operating Plan Administration

- As needs arise during the fiscal year, limited transfers within or among departments or funds may occur with approval of the Board of Estimate and Apportionment. Any accruing or unappropriated City revenue may be appropriated by ordinance recommended by the Board of E&A and passed by the Board of Aldermen.

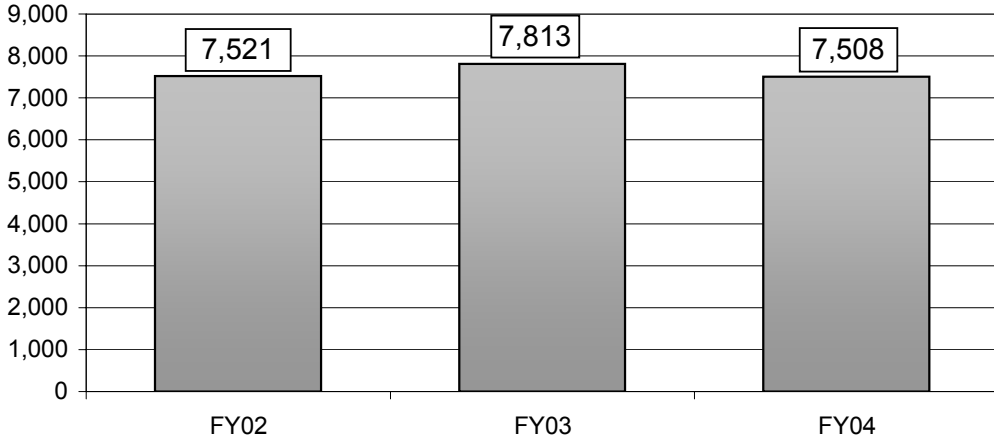


BUDGET PROCESS



PERSONNEL SUMMARY

PERSONNEL TOTALS FY02 - FY04

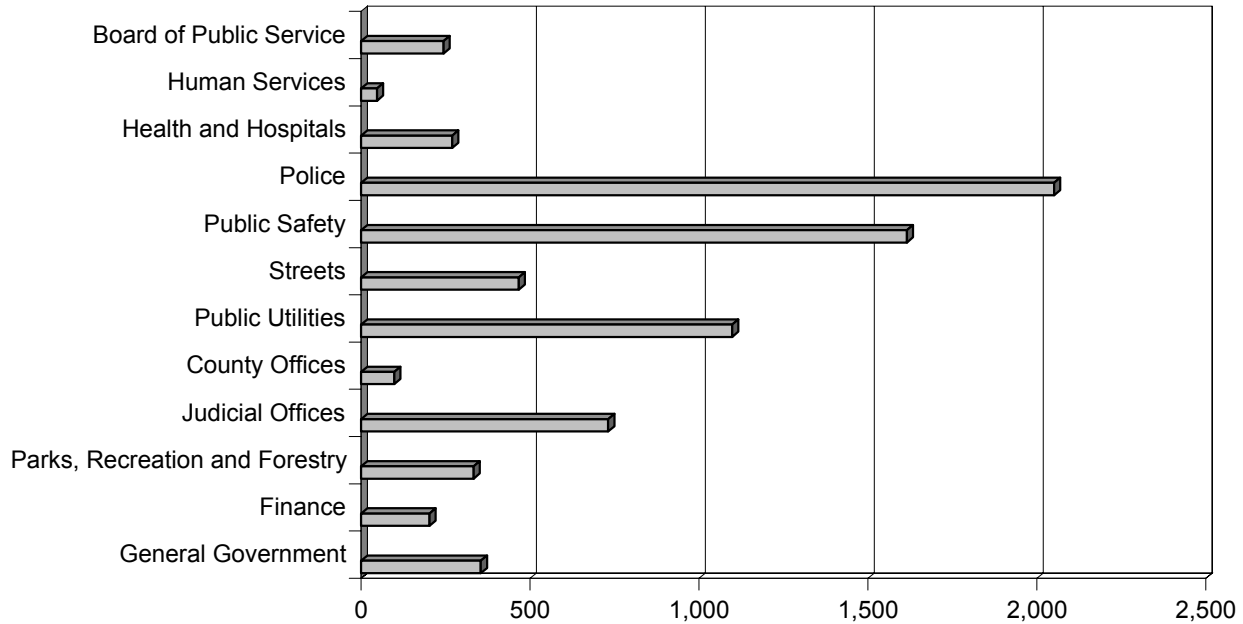


Personnel Trends FY02 - FY04

In FY04, the number of budgeted positions for all funds will decrease by 305 positions from FY03's total. The decline in the General Fund alone will total 209 positions. The number of positions will fall below totals from two years ago despite recent increases due to the opening of the City's new Justice Center and the addition of uniformed Police officers in the previous fiscal year. In FY04, due to budget constraints, the personnel reductions will be scattered throughout most departments. Specific reductions include the Board of Public Service where architectural and surveying positions will be eliminated and replaced with service contracts and where certain vehicle maintenance functions in Equipment Services will also be provided through contract. Staff reductions in BPS total 39 positions. A switch to monthly street sweeping city-wide vs.

PERSONNEL SUMMARY

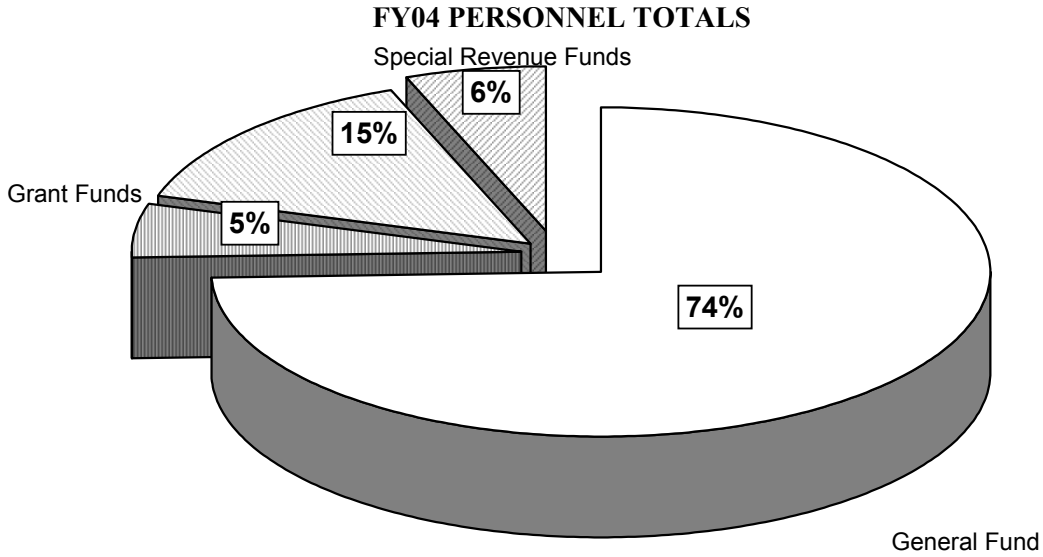
FY04 PERSONNEL TOTALS BY DEPARTMENT



Authorized Full-Time Personnel Totals - By Department All Funds

Department	FY02	FY03	FY04
General Government	375.00	379.00	354.00
Finance	212.00	214.00	202.00
Parks, Recreation and Forestry	347.00	334.00	333.00
Judicial Offices	718.00	733.00	731.00
County Offices	99.00	101.00	98.00
Public Utilities	1,184.00	1,190.00	1,098.00
Streets	478.00	472.00	466.00
Public Safety	1,473.00	1,673.00	1,615.00
Police	2,012.00	2,075.00	2,051.00
Health and Hospitals	298.00	318.75	269.25
Human Services	41.00	40.00	47.00
Board of Public Service	284.00	283.00	244.00
Totals	7,521.00	7,812.75	7,508.25

PERSONNEL SUMMARY



Authorized Full-Time Personnel Totals - By Fund

Fund	FY02	FY03	FY04
General Fund	5,787.34	5,794.74	5,585.46
Special Revenue Funds			
Local Use Tax Funds	0.00	151.73	173.00
Building Demolition Fund	8.00	10.00	19.00
Assessment Fund	75.00	75.00	68.00
Communications Fund	16.00	19.00	20.00
Lateral Sewer Fund	12.24	12.62	16.51
1116-9 Special Funds	58.00	71.50	79.50
Surface Transportation Projects Fund	5.00	5.00	3.00
Street Improvements Fund	31.00	32.00	38.00
Tax Increment Financing Fund	1.00	1.00	2.39
Mail Center - Special Fund	5.00	7.00	7.00
Employees Health and Hospital Fund	7.40	8.15	8.15
Grant Funds			
SLATE	33.00	37.00	39.00
Community Development Block Grant	107.06	112.44	84.78
Other Grant Funds	189.65	289.26	269.08
Enterprise Funds			
Water Division	404.00	392.00	391.00
Airport	781.31	794.31	704.38
Totals	7,521.00	7,812.75	7,508.25

CITY DEBT

General

The City of St. Louis is authorized to issue general obligation bonds payable from unlimited and ad valorem taxes to finance capital improvements upon a two-thirds majority vote of the qualified voters voting on the specific proposition. The Missouri Constitution provides that the amount of bonds payable out of tax receipts (which includes bonds payable from special assessments) shall not exceed 10% of the total assessed valuation of the taxable property of the City. The Constitution permits the City to become indebted for an additional 10% of the value of the taxable tangible property for the purpose of acquiring a right-of-way, constructing, extending and improving a sanitary or storm sewer system.

The City is also authorized to issue revenue bonds to finance capital improvements to its water system, sewer system and airport facilities. These types of revenue bonds require a two-thirds vote of the qualified electorate voting on the specific proposition. All revenue bonds issued by the City are payable solely out of the revenue derived from the operation of the facility that is financed from the proceeds of such bonds. Revenue bonds do not pledge the full faith and credit of the City in servicing the bonded indebtedness and such bonds are not considered in determining the legal debt margins resulting from the limitations described above.

The City is also authorized by statute to issue "Tax Increment Financing" obligations pertaining to development projects. In July, 1991, the City issued \$15,000,000 of Tax Increment Revenue Bonds for the St. Louis Marketplace project. Such obligations are secured by increments of revenues attributable to property and other taxes generated by improvements to the project area, and may also be secured by annual appropriations from the City's General Fund. As part of the St. Louis Marketplace financing, the City covenanted to request annual appropriations from the General Fund beginning in fiscal year 1993 to cover any shortfalls in the payments of debt service on these bonds until such time as the aforementioned incremental revenues are at least equal to 150% of the annual debt service payments on said bonds for five consecutive years. According to the Comptroller's office, the City has not covered any shortfalls to date; however there can be no assurances that they will not be called upon to do so in the future.

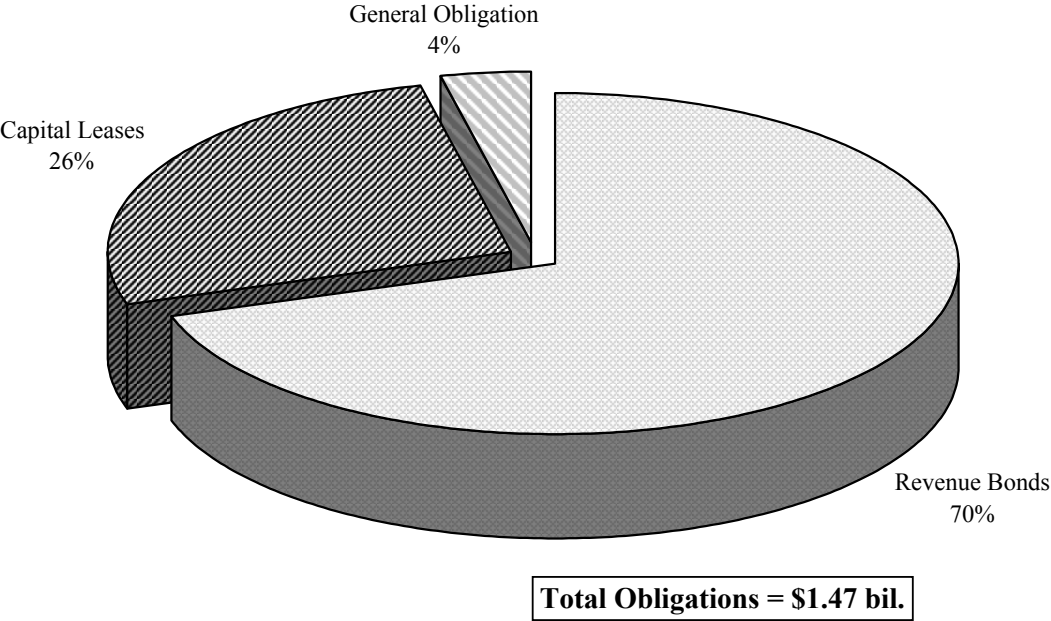
(Excerpts from official statement for Leasehold Revenue Refunding Bonds, Series 2003 (Convention Center Project))

CITY DEBT

Outstanding Debt and Lease Obligations

In addition to those financing mechanisms already discussed, the City uses capital leases as a means of financing major development and construction projects. The City's total outstanding debt and lease obligations at the end of February, 2003 amount to about \$1.1 billion. As illustrated below, two thirds of this amount is in the form of revenue bonds issued primarily by the Airport and to a lesser extent the Water and Parking Divisions.

TOTAL CITY DEBT AND LEASE OBLIGATIONS



Outstanding obligations as of 2/28/03 per Office of the Comptroller

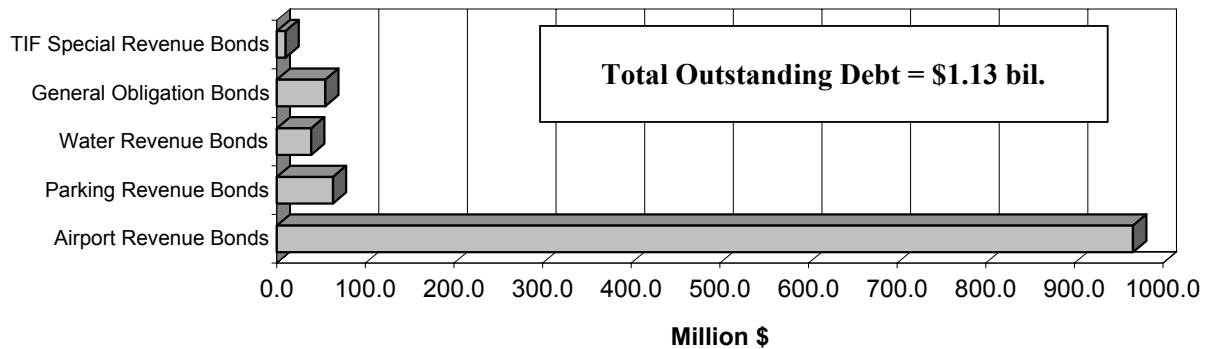
CITY DEBT

General Obligation and Revenue Bonds

Payments on general obligation debt are made from ad valorem property tax and license receipts. In 1999, the City issued \$65 million in general obligation bonds. With the bond proceeds, the City's Fire Department is replacing its existing fire fighting fleet and conducting renovations to its firehouses. The St. Louis Police Department has received funds to upgrade its crime lab and make improvements to its headquarters building on Clark Street. The bonds have also provided \$11 million for the demolition of abandoned and derelict buildings throughout the City. Another debt instrument known as revenue bonds are limited obligations of the City payable solely from the revenues of the department or facility financed by the bonds. By far the largest component of debt in this or any other debt category are the revenue bonds related to the Airport expansion project.

Bond Type	Amount Outstanding as of February 28, 2003
General Obligation Bonds	\$54,684,742
Water Revenue Bonds	38,920,000
Parking Revenue Bonds	63,450,000
Airport Revenue Bonds	966,075,000
Tax Increment Special Revenue Bonds	9,940,000
Total	\$1,133,069,742

OUTSTANDING DEBT



CITY DEBT

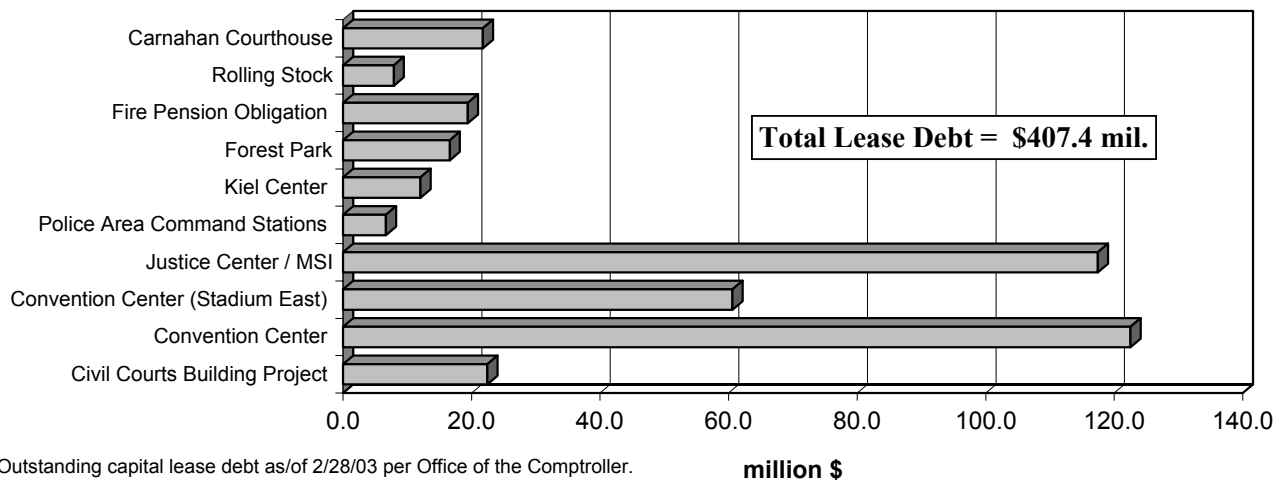
Capital Leases

The City has outstanding a number of lease-purchase agreements which can be characterized as capital leases. In capital lease financing, a non-profit authority issues debt to fund a project. This debt is secured by lease payments to the authority by a municipality leasing the project or equipment that is being financed. A list of the City's major existing agreements is presented below.

Description	Amount Outstanding February 28, 2003	Remaining Term In Years	Issue Date
Civil Courts Building Project	\$22,480,000	10	Jun-94
Convention Center (East) ¹	60,585,000	19	Feb-97
Convention Center - 1993A	122,527,205	11	Jun-93
Kiel Center Refunding- A	6,615,000	18	Aug-97
Kiel Center Refunding -B	5,445,000	14	Aug-97
Police Area Command Stations	6,665,000	5	Jun-94
Justice Center - 1996A	10,965,000	5	Aug-96
Justice Center - 1996B	24,260,000	10	Aug-96
Forest Park - 1997	16,610,000	19	Mar-97
Fire Pension Obligation Bonds	19,405,000	6	Apr-98
Justice Center - 2000	20,000,000	17	Feb-00
Justice Center - 2001	62,205,000	17	Sep-01
Carnahan Courthouse	21,750,000	25	Apr-02
Rolling Stock	7,889,481	6	Mar-00
Total	\$407,401,686		

¹ Pertains to the lease financing by the City, County and State of Missouri of an east expansion of the Convention Convention Center. In addition to lease payments, the City has agreed to pay \$1.0 mil. per year in asset preservation funds to the Regional Convention and Sports Authority through the term of the bonds.

CAPITAL LEASE DEBT



Outstanding capital lease debt as of 2/28/03 per Office of the Comptroller.

million \$

CITY DEBT

Capital Leases (cont.)

While General Obligation debt is funded through property tax revenues and revenue debt is paid through the revenues of the project being financed, capital lease debt does not specifically have a dedicated revenue source for making lease payments. These payments are generally obligations of the City's General Fund. In as much as possible, the City has sought to lessen this burden on the general fund by pursuing new sources of revenue that may directly or indirectly be linked to the particular project being financed. The southern expansion of the convention center for instance, was accompanied by the successful propositions of a 1/2 cent restaurant tax and a hotel sales tax, with the idea that these two industries are the most likely beneficiaries of increased convention activity. The civil courts building improvement financing was followed by the imposition of a fee on court cases to help offset the cost of debt service. Likewise, the debt service on the new justice center is being funded in part by reimbursements the City receives from the state for holding prisoners charged with state criminal violations. Police Department and Forest Park improvement leases are funded utilizing 1/2 cent sales tax proceeds that are dedicated to those departments. In FY04, the City will also benefit from the savings produced from a recent refinancing of the Convention Center debt. Total debt payments on the convention center will be reduced by \$9.5 million, with \$8.8 million of this amount to be realized in FY04. Of the approximate \$32.6 million in scheduled lease debt payments in FY04, about \$22.3 million or 68% of the debt service amount can be linked to direct sources of revenue to the general and capital funds. This does not include those revenues attributable to the net fiscal benefit created by the operation of a project such as the convention center / stadium facility.

Schedule of Lease Debt Payments - FY04

Cervantes Convention Center - 1993 (refinanced)	\$4,109,400
Civil Courts Lease - 1994	2,776,000
Convention Center East / Stadium - 1997 *	6,000,000
Fire Pension Obligation Bonds - 1998	3,122,000
Forest Park Lease - 1997	1,382,000
Justice Center Lease - 1996	5,837,000
Justice Center Lease - 2000	1,869,000
Justice Center Lease - 2001	3,056,000
Kiel Center - 1997	993,000
Police Area Command Stations - 1994	1,393,000
Rolling Stock Lease - 2000	2,099,000

Total	\$32,636,400
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* includes asset preservation payment

CITY DEBT

Tax Increment Financing Projects

Tax Increment Financing (TIF) is a funding mechanism used to support financing of development projects. In a TIF financing, bonds are issued to finance infrastructure and other improvements related to a development project. A portion of the incremental tax revenues resulting from the development are then dedicated to service the debt. In most instances, the debt remains an obligation of the developer and debt service is dependent solely on the incremental taxes to be generated by the project. The City's first TIF project known as St. Louis Marketplace is unique in that City general revenue is to be made available should there be any shortfall in project revenue. For this reason, only Marketplace TIF debt is included in the outstanding debt table listed earlier. A listing of existing and pending TIF projects is listed below:

<u>TIF Project</u>	<u>Estimated TIF Cost</u>	<u>TIF Area Approved</u>
St. Louis Marketplace (Scullin)	\$15,000,000	07/20/90
Cupples (* pending 2003)	52,200,000	03/08/91
4548 West Pine	300,000	12/22/97
Argyle	3,000,000	12/11/98
Chouteau / Compton	3,600,000	12/17/98
Center for Emerging Technology	978,000	09/24/99
Edison Brothers	5,300,000	01/29/00
Robert E. Lee	600,000	01/29/00
100 North Condominium LLC	400,000	02/09/00
Convention Center Hotel	50,000,000	04/17/00
3800 Park (* pending 2003)	390,000	08/01/01
Gravois Plaza	4,049,000	11/30/01
4100 Forest Park (* pending 2003)	7,000,000	12/20/01
Lafayette Square	2,040,250	12/26/01
Tech Electronics (* pending 2003)	900,000	02/21/02
MLK Development	2,250,000	03/18/02
4200 Laclede	925,400	06/20/02
Post Office Square TIF	6,655,220	07/23/02
1505 Missouri	621,100	08/05/02
Grand Center	80,000,000	02/02/02
1141-1151 S. Seventh St.	1,136,800	12/10/02
Paul Brown / Arcade	3,264,200	12/10/02
1100 Locust - Louderman Building	2,444,400	12/21/02
920 Olive / 1000 Locust	2,667,732	12/21/02
Walter Knoll Florist	1,036,000	12/21/02

Source: Office of the Comptroller

CITY DEBT

Legal Debt Margin

as of February 28, 2003

	<u>City Purposes Basic Limit</u>	<u>Streets and Sewers Additional Limit</u>
2002 Assessed Value	\$3,176,152,338	\$3,176,152,338
Debt Limit - 10% of Assessed Value	317,615,233	317,615,233
Less: General Obligation Bonds	<u>54,684,742</u>	<u>0</u>
	<u>\$262,930,491</u>	<u>\$317,615,233</u>

Source: Office of the Comptroller, City of St. Louis

Principal and Interest Requirements on Direct Debt

Fiscal Year	<u>General Obligation Bonds</u>		
	Principal	Interest	Total
2002-2003	2,840,000	2,786,000	5,626,000
2003-2004	2,965,000	2,667,000	5,632,000
2004-2005	3,100,000	2,540,000	5,640,000
2005-2006	3,245,000	2,400,000	5,645,000
2006-2007	3,400,000	2,253,000	5,653,000
2008-2012	13,645,000	12,250,000	25,895,000
2013-2017	19,185,000	5,369,000	24,554,000
2018-2019	<u>9,145,000</u>	<u>709,000</u>	<u>9,854,000</u>
	<u>\$57,525,000</u>	<u>\$30,974,000</u>	<u>\$88,499,000</u>

Source: Office of the Comptroller, City of St. Louis

CITY DEBT

Debt Ratios

as of February 28, 2003

	<u>Net Debt Per Capita</u>
Direct Debt (incl. Lease debt)	\$1,418
Overall Debt	\$2,024

Source: City of St. Louis Budget Division: based on 2000 U.S. census population of 348,189

The \$65 million in Public Safety General Obligation bonds is the sole outstanding issue of general obligation debt and the City well remains well under the 10% cap established by the Missouri Constitution. Overall net debt for the City remains moderate at about \$2,024 per capita. The City's ability to manage its finances and maintain positive fund balances are key to the City's debt issuance policy. On June 1, 1999, Moody's Investors Service assigned an underlying rating of A3 to the City's pending General Obligation Debt. This was an upgrade from the prior rating of Baa1. On June 2, 1999, Fitch Investor Services also raised its rating to A- from a previous rating of BBB+. Along with a reaffirmed rating of A- from Standard and Poor's Corporation following rating increases in recent years, the City's general obligation bond rating among the major rating agencies remains the strongest it has been in over twenty years.



CITY OF ST. LOUIS PROFILE

City Economic Data



Personal Income 1998:	\$26,332
Avg. Labor Force - Dec. 2002	156,976
Avg. No. Employed - Dec. 2002	144,298
Avg. % Unemployed - Dec. 2002 (* preliminary)	8.1%

Source:
Missouri Dept. of Economic Development

City Building and Construction (Activity in mil. \$)



	Housing Value		Com./Ind.
	<u>New</u>	<u>Rehab</u>	<u>Dev.</u>
1998	\$18.13	\$21.70	\$234.45
1999	\$31.24	\$19.55	\$205.60
2000	\$33.59	\$49.85	\$431.88
2001	\$24.63	\$42.01	\$366.74
2002	\$41.59	\$103.58	\$335.57

Source: Building Division, City of St. Louis



City Employment By Industry Group - 4th Quarter, 2002

<u>Job Sector</u>	<u>Emp.</u>	<u>% of Total</u>	<u>Job Sector</u>	<u>Emp.</u>	<u>% of Total</u>
Services	80,695	33.9%	Transport., Comm. & Public Utility	19,636	8.3%
Manufacturing	31,423	13.2%	Wholesale Trade	12,606	5.3%
Government	40,602	17.1%	Construction	8,075	3.4%
Retail Trade	25,616	10.8%	Other	710	0.3%
Finance	18,490	7.8%	Total All Groups	237,853	100.0%

Source: Missouri Dept. of Labor and Industrial Relations

Top 15 Employers - 2000

(excluding City of St. Louis)



<u>Company</u>	<u>Employees</u>
BJC Health Systems	15,772
Washington University	11,363
St. Louis Board of Ed.	8,668
St. Louis University	8,551
U. S. Postal Service	8,313
State of Missouri	7,143
Southwestern Bell	6,911
Anheuser Busch	6,322
A. G. Edwards	6,025
May Dept. Stores	5,805
Tenet Healthsystems	5,189
Schnucks	4,282
Bank of America	4,137
Natl. Finance Center	3,314
SSM Health Care	2,679

Source: City of St. Louis Col. of Revenue

CITY OF ST. LOUIS PROFILE










America's Center - Convention Center

Contiguous Exhibit Space - sq. ft.	502,000
Flexible Meeting Rooms	84
3-Level Lecture Hall - Seats	1,411
Grand Ball Room - sq. ft.	28,000
Downtown Hotel Rooms (approx.)	5,500



Source: *America's Center*

Largest Tourist Attractions

	2001 Attendance	
Jefferson National Expansion Memorial (Arch)	3,961,354	
St. Louis Baseball Cardinals (MLB)	3,113,091	
St. Louis Zoo	2,700,000	
President Casino on the Admiral	1,800,000	
St. Louis Science Center	1,585,245	
St. Louis Blues Hockey (NHL)	800,319	
St. Louis Art Museum	676,774	
St. Louis Rams Football (NFL)	660,000	
Missouri Botanical Garden	495,000	
The Fox Theatre	484,736	
St. Louis Symphony Orchestra	400,000	
The Municipal Opera (Muny)	423,209	

Source: *St. Louis Business Journal*



GLOSSARY

Affordable Housing Trust Fund

Fund created in 2001 from a portion of receipts of the local use tax. Funds are dedicated to providing for the development and preservation of affordable and accessible housing in the City. Loan and grant programs are administered by the Affordable Housing Commission. In November 2002, City voters replaced the existing local use tax with a new local use tax. Under a new allocation formula, a total of \$5.0 mil. per year is to be allocated to the Affordable Housing Trust Fund beginning in FY04.

Airport, City of St. Louis

An enterprise fund used to account for the revenues and expenses of Lambert-St. Louis International Airport. The Airport is owned by the City of St. Louis and operated by an Airport Commission. The use of Airport revenues, derived primarily from airline payments for use of the facilities, parking fees and interest earnings, are limited to purposes of the Airport.

Aldermen, Board of

28 elected individuals representing the 28 wards of the City and a President elected citywide who make up the City's legislative body.

Appropriation

A legal authorization to make expenditures and incur obligations for specific purposes.

Assessment

The valuation of property for the purpose of taxation.

Assessment Fund

Fund which supports the operations of the Assessor's office.

Balanced Budget

A budget in which resources available for appropriation equal or exceed planned expenditures.

Battered Persons Shelter Fund

Established by ordinance in 1992, the Battered Persons Shelter fund is used solely for providing operating expenses for shelters for battered persons. The fund is supported by a \$1.00 fee imposed on municipal ordinance violations cases filed in municipal court.



Budget

A financial plan based on anticipated revenues and expenditures for a given period.

Building Demolition Fund

Fund established to finance the demolition and board-up of dangerous buildings. The Building Demolition Fund is funded through a fee of \$2.00 per \$1,000 estimated value of any building permit issued by the City.

Capital Improvements Fund

Fund for long-term improvements and maintenance of the City's infrastructure and/or acquisition of equipment or property for public use.

Capital Improvement Sales Tax Trust Fund

Fund established for revenues received from the one-half cent sales tax for capital improvements. This fund consists of the following five accounts: Ward Capital Improvements Account (50%), Major Park Capital Improvements Account (17%), Recreation Center Capital Improvements Account (3%), Citywide Capital Improvements Account (20%) and Police Department Capital Improvements Account (10%).

Child Support Unit (Parent Locator Fund)

State supported fund through which the Circuit Attorney's Office conducts its program for recovering child support payments.

Columbia Bottoms Fund

Fund established to account for transactions relating to Columbia Bottoms, a parcel of land along the Missouri River which the City owns and leases out for private farming. With the recent sale of most of the property to the Missouri Department of Conservation, activity in this fund has been significantly reduced.

Communications (Cable) Fund

Fund established for the purpose of overseeing the cable television and communications industry in the city and establishing and managing a government access channel and necessary studio facilities. The Cable Division is funded through a 5% franchise fee imposed on Cable operators.

Community Development Agency

City agency responsible for planning and implementing the housing and economic development plans of the City of St. Louis. CDA also oversees operation, administration and programmatic and compliance monitoring of the Community Development Block Grant program as well as other federal housing programs.



Convention and Tourism Fund

Fund established to foster and promote the City's convention and tourism industry. Expenditures from the fund are approved by members of the C & T Board consisting of the Mayor, the Comptroller and the President of the Board of Aldermen.

Convention and Sports Facility Trust Fund

Fund established to help pay for the construction of the convention center expansion project. Revenues to the fund consist of the 3.5% gross receipts tax on hotel/motel receipts. These revenues are transferred to the City's General Fund and used to help pay the City's debt on the convention facility.

Debt Service

Expenditures for principal and interest payments on loans, notes and bonds.

Debt Service Fund

Fund used to specifically track payments of principal, interest and expenses on general obligation debt.

Department

Major unit of organization in the City comprised of subunits called divisions.

Employee Health & Hospital (Benefits) Fund

A fund financed jointly by the City, its employees and retirees to ensure adequate health and hospital care for employees and retirees of the City. The income for this fund is derived from appropriations made in other City funds.

Encumbrance

An obligation for which payment is anticipated but has not yet been made. Typically encumbrances represent outstanding purchase orders or contracts. The funds appropriated for these expenses are set aside in a reserve for payment. An item will remain an encumbrance until the obligation is paid or otherwise released.

Enterprise Fund

A fund 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 of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges. The City's Airport, Water and Parking Meter Divisions are enterprises.



Estimate and Apportionment, Board of

The City's chief fiscal body - comprised of the Mayor, the Comptroller and the President of the Board of Aldermen.

Expenditure

Money actually spent by the City for the programs and projects included in the approved budget.

Federal Mandate

A regulation or requirement imposed on state or local governments by the Federal government. Federal mandates include the Clean Air Act, Clean Water Act, Americans with Disabilities Act and Underground Storage Tank Regulations.

Fiscal Year

Twelve month period to which the budget applies. In St. Louis this is July 1 to June 30.

Fund Balance

The level of funds remaining as measured generally at the conclusion of a fiscal year, after allocating for all encumbrances and other commitments. The fund balance often includes reserves set-aside to meet future obligations, (e.g. 27th pay reserve, rainy day reserve). From a fiscal policy standpoint, emphasis is often placed on the level of "unreserved" fund balance as an indicator of fiscal stability. The City's policy is to achieve and maintain an unreserved general fund balance at a minimum of 5% of the general fund budget.

General Fund

The main operating fund of the City.

Health Care Trust Fund

Fund created in 2001 from a portion of receipts from the local use tax. Funds are dedicated to providing public health care services within the City of St. Louis. In November 2002, voters replaced the existing local use tax with a new local use tax. Under a new allocation formula, a total of \$5.0 mil. per year is to be allocated to the Health Care Trust Fund beginning in FY04.

Lateral Sewer Repair Fund

Fund established in 1989 to provide the cost of the repairs of leaking lateral sewer service lines on residential properties. The Lateral Sewer Repair Program is funded by a \$28.00 annual fee on all residential property having six or less dwelling units.

Local Use Tax

Originally approved by City voters in April, 2001, the local use tax is a tax imposed on purchases made from out of state vendors. The local use tax rate is equal to the City's local sales



tax rate.

The local use tax was replaced by voters in November, 2002 with a new local use tax. Proceeds from the new local use tax are to be allocated each fiscal year in the amount of \$5 million each to the Health Care Trust Fund and the Affordable Housing Trust Fund, \$3 million for derelict building demolition and any excess amounts shall be dedicated collectively to any of the following: derelict building demolition, public safety, neighborhood preservation, development and preservation of affordable and accessible housing and public health care services.

Parking Funds

Funds used to track revenues and expenses of the Parking Meter Division and Kiel Parking Facility. Both of these operations are managed as separate enterprise funds by the Treasurer's Office.

Port Authority Fund

Fund established to manage all phases of the harbor and wharves operation including enforcement of all regulations with the guidance of a Port Development Commission.

Program

A set of activities conducted by a department or division to provide a specific service.

Property Tax

A tax levied on the assessed value of property (e.g. personal, real estate).

Public Facilities Protection Corporation

A not-for-profit corporation established to provide the City with Surety Bond and Insurance coverage and general protection from judgements rendered against the City. Each year the City makes a contribution to PFPC out of the General Fund.

Revenue

Income received by the City government from sources, such as taxes, fees, user charges, grants and fines, which is used to support the government's facilities and services to the community.

Riverboat Gaming Fund

Fund established to account for revenues from riverboat gaming. Appropriations from this fund are used for three primary purposes, 1) public safety on the riverfront, 2) capital expenditures (i.e. local bridge match, etc.) and 3) economic development. Revenue from riverboat gaming leases is received through the Port Authority Fund.



Special Revenue Fund

A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Street Improvement Fund (St. Louis Works)

A street and sidewalk improvement program funded primarily from a portion of City utility taxes and State motor vehicle sales tax revenues. St. Louis Works funds are appropriated under a separate ordinance on a calendar year basis.

Tax Incremental Financings

Funding mechanism that uses the tax benefits generated by a development to pay the debt for improvements related to the development.

Transportation Fund

Fund used to account for revenues and appropriations from the 0.5% transportation sales tax and the 0.25% metrolink sales tax. All revenues into the transportation fund are currently appropriated to the Bi-State Development Agency that operates the regional mass transit system.

Trust and Agency Funds

Funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or funds.

Twenty-Seventh Pay Reserve

Reserve set aside for fiscal years in which a 27th pay day occurs. With bi-weekly pay periods, a 27th pay day will occur once every 11 years. A 27th pay day last occurred in FY95 and will occur again in FY06.

User Fees

Fees paid directly by citizens for a service used (i.e. park fees, bus fares).

Water Division Fund

An enterprise fund used to account for the revenues and expenses of the Water Division, which is owned and operated by the City and funded primarily through water sales.



COMMON ACRONYMS

ADA	Americans with Disabilities Act	ESD	Equipment Services Division
BPS	Board of Public Service	ITSA	Information Technology Services Agency
CDA	Community Development Agency	ISTEA	Inter-modal Surface Transportation Efficiency Act
CDBG	Community Development Block Grant	LLEBG	Local Law Enforcement Block Grant
CEMA	City Emergency Management Agency	MSI	Medium Security Institution
CJC	City Justice Center	NSO	Neighborhood Stabilization Officer
COPS	Community Oriented Policing Services	PFPC	Public Facilities Protection Corporation
CORR	Community Outreach for Risk Reduction	REJIS	Regional Justice Information Service
CREA	Civil Rights Enforcement Agency	SLAA	St. Louis Area Agency on Aging
C&T	Convention and Tourism Fund	SLATE	St. Louis Agency on Training and Employment
CSB	Citizen Service Bureau	SLDC	St. Louis Development Corporation
E&A	Board of Estimate and Apportionment	SLPD	St. Louis Metropolitan Police Department
EMS	Emergency Medical Service		