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## 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**

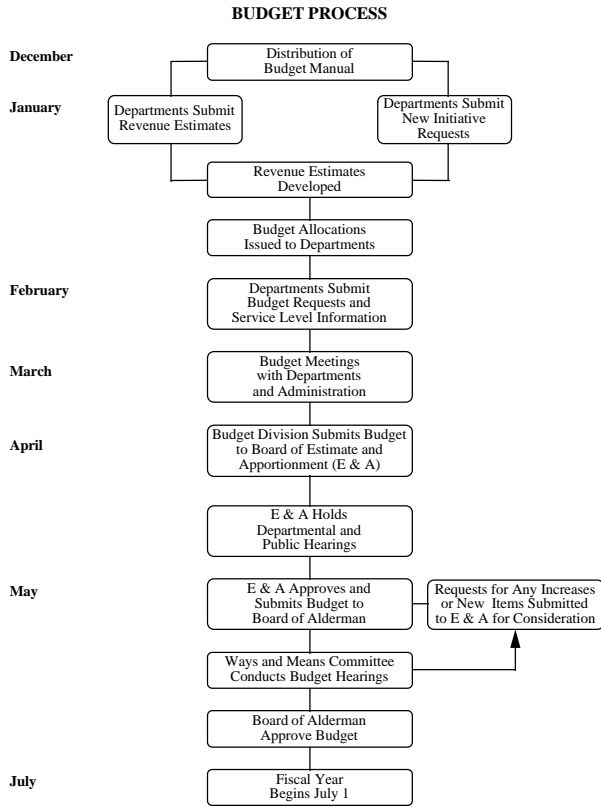
- The Board of E&A must submit its proposed budget to the Board of Aldermen not less than 60 days prior to the beginning of the fiscal year, or May 1.
- During May and June, the Ways and Means Committee of the Board of Aldermen conducts public hearings on each segment of the proposed budget prior to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



## ***FINANCIAL AND BUDGETARY POLICIES***

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The budget document for the City is an Annual Operating Plan serving as guidebook for the fiscal year. It sets policy, identifies new initiatives and allocates the resources necessary to maintain City services and meet the objectives of the fiscal year.

A summary of the new initiatives and how the budget allocates this year's resources is described in the Executive Summary section of the budget document. Financial and budgetary policies are outlined below.

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### **BUDGET PREPARATION AND ADMINISTRATION**

- 1) Annual budgets will be developed for the general and all required special funds by the Budget Division for review by the Board of Estimate and Apportionment
- 2) A five-year expense and revenue projection will be developed for the general fund and the capital improvements fund to match revenue capacity with expenditure needs as a planning and decision making tool.
- 3) Appropriations will be based on reasonable estimates of revenue
- 4) Revenue and expenditures will be accounted for on a cash basis for budgetary purposes
- 5) The City will prepare a Comprehensive Annual Financial Report which it believes will meet all of the guidelines necessary to receive the Certificate of Achievement for Excellence in

Financial Reporting from the Government Finance Officers Association

- 6) Annual budget appropriations will be made in a timely manner. In accordance with the City Charter, the Board of Estimate and Apportionment shall submit a balanced budget proposal to the Board of Aldermen at least sixty days before the beginning of the new fiscal year.

### **GENERAL FUND BUDGET**

- 1) Revenue estimates will be developed for the ensuing fiscal year by the Budget Division, with independent review and commentary provided by the staff of the City Comptroller.
- 2) A revenue manual will be developed and updated annually with information concerning the assumptions underlying the projections.

# **FINANCIAL AND BUDGETARY POLICIES**

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## **GENERAL FUND BUDGET (cont.)**

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- 3) The City will maintain the unreserved portion of the General Fund Balance at a minimum of 5% of the total General Fund Budget.
  - 4) The general fund budget for on-going operations will be developed to match recurring revenues.
  - 5) Revenues will be monitored monthly with official review and updates provided to the Board of Estimate and Apportionment on a quarterly basis.
  - 6) Apparent shortfalls will be analyzed for their impact on future years.
  - 7) Expenditures will be monitored monthly and apparent overspending will be handled on a departmental basis.
  - 8) Known cyclical costs such as the 27th pay which occurs every eleven years will be funded at an appropriate amount in each budget.
  - 9) Appropriations will be made annually to cover the expenses of the self-insurance fund.
  - 10) Each request for a new program must be accompanied by an analysis that shows the long-term impact of the program on existing revenue sources and on existing programs.
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- 4) All long term debt shall be structured with prepayment options, except when alternative structures are more advantageous to the City. The City will consider prepayments when available resources are identified.

## **CAPITAL IMPROVEMENTS**

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- 1) The City shall prepare a five-year Capital Improvements Plan and a Capital Budget annually in accordance with its Policy and Procedures Manual.
- 2) The five-year Capital Improvement Plan shall identify sources of funding.
- 3) For major capital projects, an analysis should accompany the proposed projects with information on expected annual operating costs, projected revenue benefits (if any) and any other indirect costs or benefits to the City.
- 4) The City shall fund capital projects with resources made available to the Capital Fund including but not limited the proceeds from the 1/2 cent sales tax

## **CITY DEBT**

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- 1) Bonding should be used to finance or refinance only those long-term assets or projects that benefit a significant portion of citizens in St. Louis and for which repayment sources have been identified
- 2) The scheduled maturity of bond issues shall not exceed the expected useful life of the capital project or asset financed
- 3) For property tax supported bonds, the Comptroller will strive for a debt service reserve in an amount not less than the succeeding year's principal and interest requirements. Reserve requirements for other bond issues will be set forth in respective bond covenants.

## ***FINANCIAL AND BUDGETARY POLICIES***

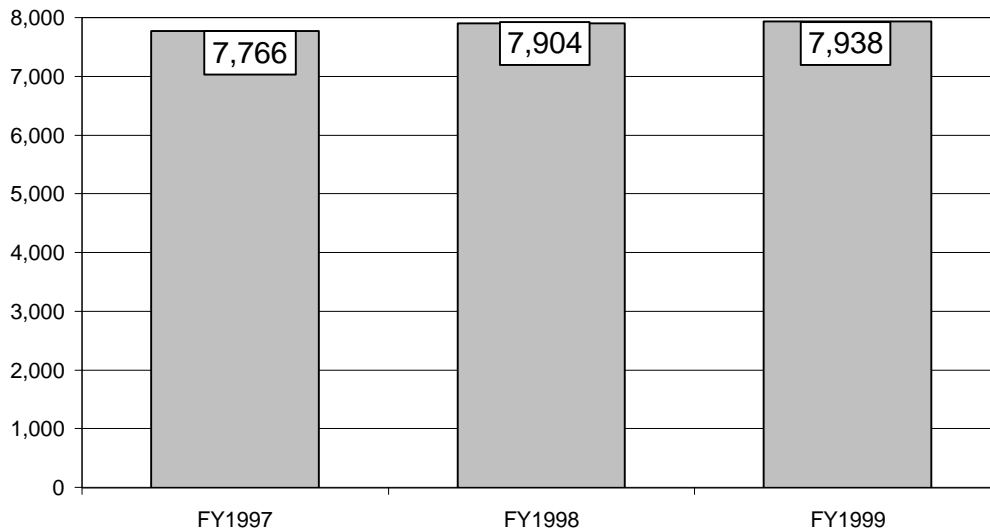
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- 5) Bond refunding shall be considered if one or more of following conditions exist:
  - 1) present value savings of 3% of par value of the refunding bonds
  - 2) bond covenants restrictive or outdated
  - 3) restructuring debt is deemed desirable
- 6) Bond insurance shall be considered when present value of debt service savings is equal to or greater than the insurance premium.
- 7) The City will take all steps necessary to maintain its credit rating on outstanding debt and comply with bond covenants.
- 8) The Comptroller will select underwriters and bond counsel from a pre-qualified list to be revised at least every two years.

# PERSONNEL SUMMARY

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## PERSONNEL TOTALS FY97 - FY99



### Personnel Trends FY97 - FY99

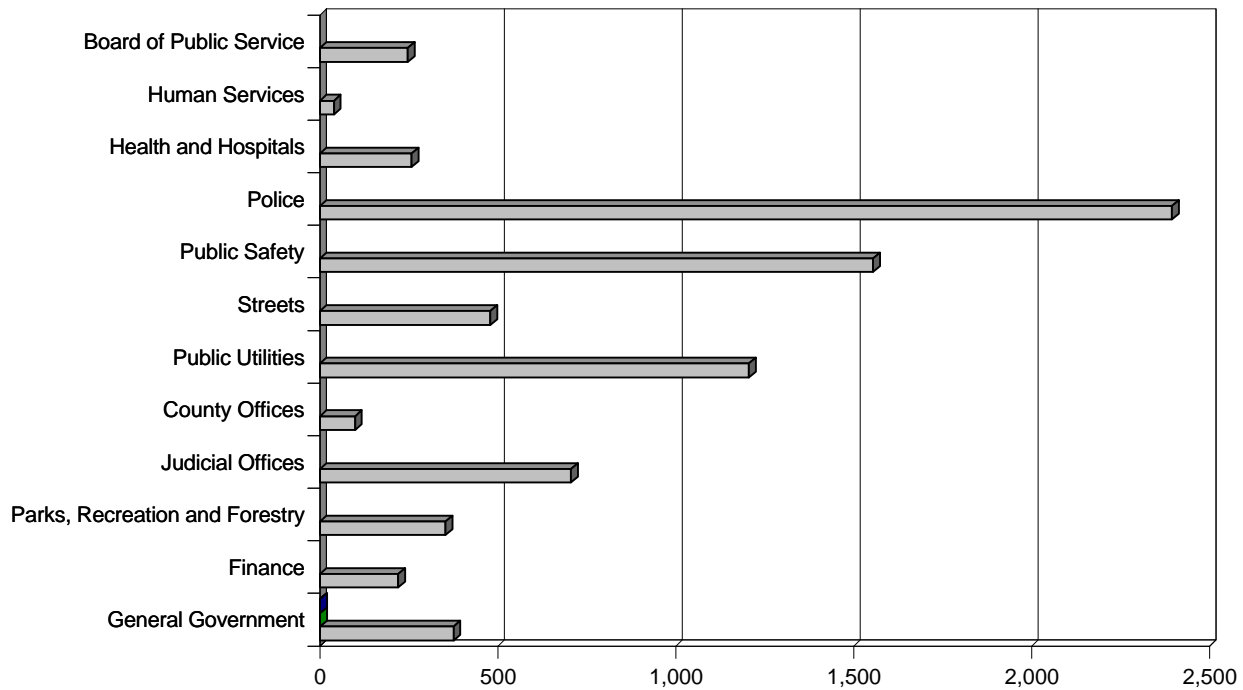
The total number of budgeted positions for all funds has risen from 7,766 in FY97 to a total of 7,938 in FY99, an increase of 172 positions. Of this total increase, 123 positions are in the General Fund with 71 of these being added in FY99. Thirty-six of these new General Fund positions are a result of the expiration of two Police hiring grants, (75% of 48 officers), leaving the remaining increase in the General Fund at thirty-five positions.

Areas where personnel will be increasing include the Information Systems Section of the Budget Division which will be adding 7 positions in an effort meet the increasing needs of the City's growing information systems network as well as challenges related to the year 2000 issue. Both Weed & Debris sections of the Forestry Division will bolster efforts at cleaning and maintaining vacant lots and properties throughout the City with an additional 5 positions. The Corrections Division will add a couple of nursing positions to enhance the in-house medical capabilities at the City's detention facilities. The Department of Health and Hospitals will see an increase of 7 General Fund positions as a result of reorganization efforts as well as the expiration of certain health grants.

In the enterprise funds, the City Water Division has continued its efforts to reduce staffing totals with the personnel schedule dropping 7 positions since FY97. The Airport expansion efforts have led to an increase of 69 positions in the last two fiscal years for that facility.

# PERSONNEL SUMMARY

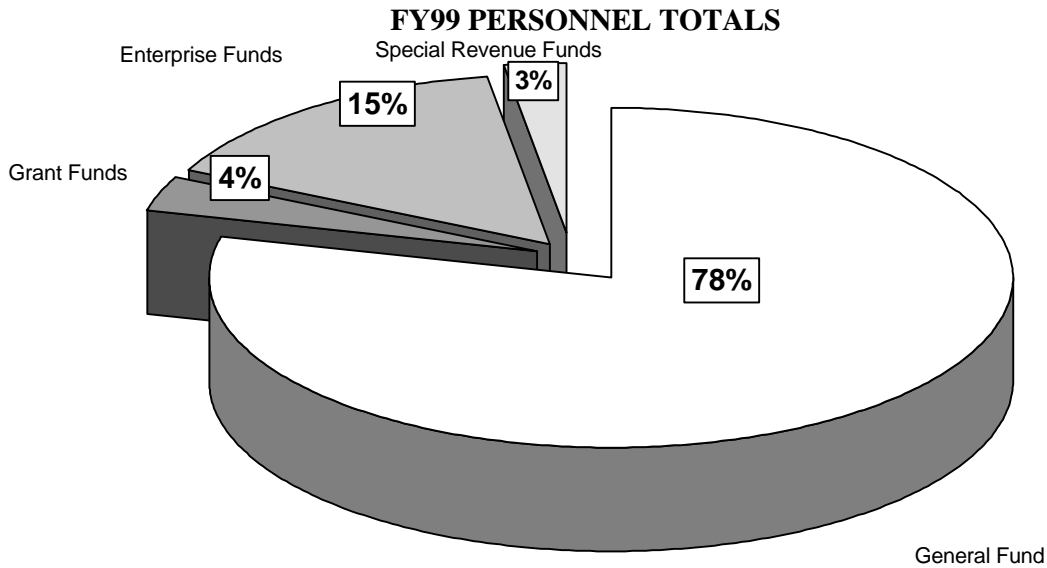
## FY99 PERSONNEL TOTALS BY DEPARTMENT



### Authorized Full-Time Personnel Totals - By Department All Funds

Department	FY1997	FY1998	FY1999
General Government	322.00	365.00	376.00
Finance	244.99	210.00	221.00
Parks, Recreation and Forestry	328.00	348.00	353.00
Judicial Offices	685.00	700.00	706.00
County Offices	96.00	97.00	99.00
Public Utilities	1,129.00	1,213.00	1,206.00
Streets	482.00	480.00	480.00
Public Safety	1,373.00	1,556.00	1,555.00
Police	2,368.00	2,391.00	2,395.00
Health and Hospitals	435.00	259.00	258.50
Human Services	36.00	38.00	40.00
Board of Public Service	267.00	247.00	248.00
<b>Totals</b>	<b>7,765.99</b>	<b>7,904.00</b>	<b>7,937.50</b>

# PERSONNEL SUMMARY



## Authorized Full-Time Personnel Totals - By Fund

Fund	FY1997	FY1998	FY1999
<b>General Fund</b>	6,132.91	6,184.61	6,255.96
<b>Special Revenue Funds</b>			
Circuit Attorney - Child Support Unit	19.00	19.00	19.00
Assessment Fund	82.00	82.00	83.00
Communications Fund	15.00	16.00	16.00
Lateral Sewer Fund	9.20	9.20	9.20
1119 Special Funds	23.00	16.00	15.00
Riverboat Gaming Fund	15.00	13.00	13.00
Surface Transportation Projects Fund	9.00	5.00	5.00
Street Improvements Fund	30.00	30.00	30.00
Capital Improvements Fund	2.00	2.00	2.00
Mail Center - Special Fund	4.00	5.00	5.00
Employees Health and Hospital Fund	7.15	7.15	7.15
<b>Grant Funds</b>			
SLATE	27.00	33.00	33.00
Community Development Block Grant	97.23	97.04	97.44
Other Grant Funds	165.50	189.00	151.00
<b>Enterprise Funds</b>			
Water Division	421.00	417.00	413.00
Airport	707.00	779.00	782.75
<b>Totals</b>	<b>7,765.99</b>	<b>7,904.00</b>	<b>7,937.50</b>

# CITY DEBT

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## 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.

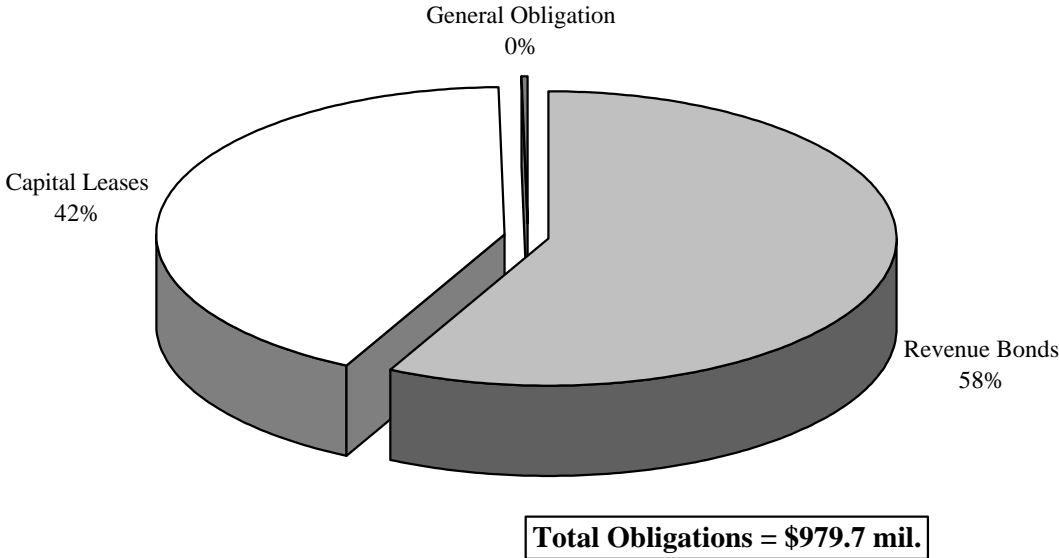
(Excerpts from official statement dated 9/1/97 - LCRA Kiel Site Lease Revenue Refunding Bonds, Series 1997B)

# 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 May, 1998 amounted to \$979.7 million. As illustrated below, nearly 60% of this amount is in the form of revenue bonds issued primarily by the Airport and Water Division.

TOTAL CITY DEBT AND LEASE OBLIGATIONS



Outstanding obligations as of 5/31/98 per Office of the Comptroller

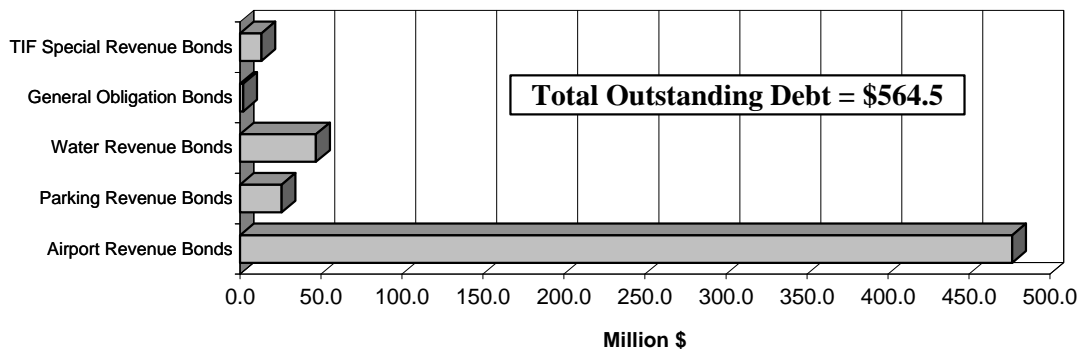
# CITY DEBT

## General Obligation and Revenue Bonds

The FY99 budget appropriates \$2.2 million for payment of principal, interest and expenses on the City's outstanding general obligation debt. Payments on general obligation debt are made from ad valorem property tax and license receipts. The City's last general obligation debt issue was in 1986 to fund various improvements to the Fire Department. Much of the fire equipment purchased in that issue is now in need of replacement. In FY99, the City anticipates seeking voter approval for a general obligation bond issue to replace existing fire equipment as well as conduct other public safety improvements such as the renovation of the remaining unimproved fire houses. Revenue bonds are limited obligations of the City payable solely from the revenues of the department or facility financed by the bonds.

Bond Type	Amount Outstanding as of May 31, 1998
General Obligation Bonds	2,000,000
Water Revenue Bonds	46,950,000
Parking Revenue Bonds	25,645,000
Airport Revenue Bonds	476,660,000
Tax Increment Special Revenue Bonds	13,245,000
<b>Total</b>	<b>\$564,500,000</b>

### OUTSTANDING DEBT



# CITY DEBT

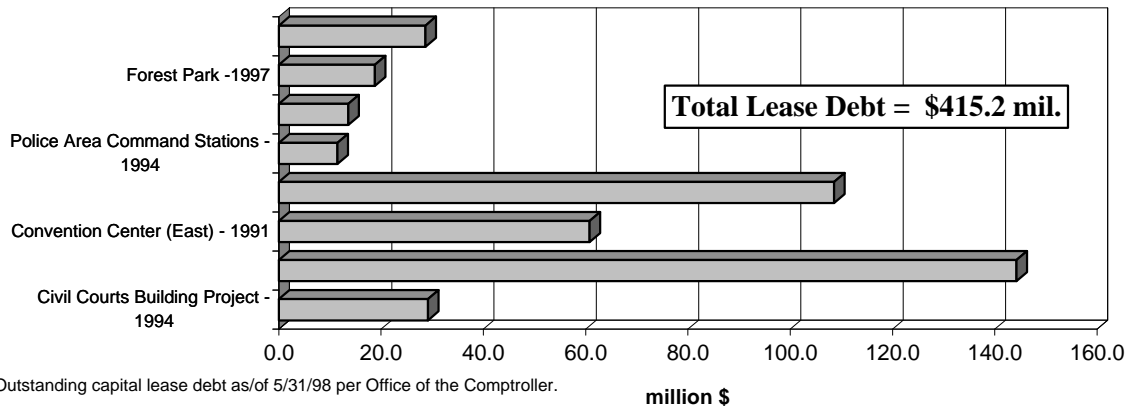
## Capital Leases

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 as of May 31, 1998 is presented below. The City recently completed the issuance of pension obligation bonds for the firefighter's retirement system. It is anticipated that the City will capture savings of approximately \$1.5 million over the term of the bonds from this transaction. In FY99, the City anticipates issuing lease bonds for the completion of the Justice Center project.

Description	Amount Outstanding May 31, 1998	Remaining Term In Years	Issue Date
Civil Courts Building Project - 1994	\$29,155,000	16	Jun-94
Convention Center (East) - 1997 <sup>(1)</sup>	60,760,000	23	Feb-97
Convention Center - 1993	144,217,205	18	Jul-93
Kiel Center - 1997A	7,170,000	23	Aug-97
Kiel Center - 1997B	6,435,000	18	Sep-97
Police Area Command Stations - 1994	11,470,000	10	Jun-94
Justice Center - 1996	108,540,000	21	Aug-96
Forest Park - 1997	18,780,000	24	Mar-97
Fire Pension Obligation Bonds - 1998	28,695,000	12	Apr-98
<b>Total</b>	<b>\$415,222,205</b>		

(1) This pertains to the lease financing by the City, St. Louis County and the State of Missouri, of an east expansion of the Convention Center. This east expansion is owned by the Regional Convention and Visitors' Commission, an entity created by State law. In addition to lease payments to pay debt service on the bonds, the City has also agreed to pay \$1.0 million per year during the term of the bonds as preservation payments to pay for renovations and repairs to the facility.

### CAPITAL LEASE 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,

# CITY DEBT

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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. Of the approximate \$35 million in scheduled lease debt payments in FY99, about \$19 million or over one half 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.

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## Schedule of Lease Debt Payments - FY99

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Cervantes Convention Center - 1993	\$12,290,000
Civil Courts Lease - 1994	2,800,000
Convention Center East / Stadium - 1997	5,000,000
Fire Pension Obligation Bonds - 1998	3,368,826
Forest Park Lease - 1997	1,350,000
Justice Center Lease - 1996	7,300,000
Justice Center Lease - 1999 (anticipated)	800,000
Kiel Center - 1997	1,000,000
Police Area Command Stations - 1994	1,410,000
<b>Total</b>	<b>\$35,318,826</b>

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# CITY DEBT

## Legal Debt Margin

as of May 31, 1998

	<u>City Purposes Basic Limit</u>	<u>Streets and Sewers Additional Limit</u>
1997 Assessed Value	\$2,827,753,891	#####
Debt Limit - 10% of Assessed Value	282,775,389	282,775,389
Less: General Obligation Bonds	<u>2,000,000</u>	<u>0</u>
	<u><u>\$280,775,389</u></u>	<u><u>\$282,775,389</u></u>

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

## Principal and Interest Requirements on Direct Debt

as of May 31, 1998

Fiscal Year	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1998-1999	<u>2,000,000</u>	<u>122,000</u>	<u>2,122,000</u>
	<u><u>\$2,000,000</u></u>	<u><u>\$122,000</u></u>	<u><u>\$2,122,000</u></u>

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

# CITY DEBT

## Comparison With National Medians

as of May 31, 1998

	Net Debt Per Capita	Median *	Debt As % Of Full Valuation	Median *
Direct Debt	\$1,189	\$1,086	3.9%	2.2%
Overall Debt	\$1,499	\$1,478	4.9%	3.4%
* for cities with populations ranging from 300,000 - 500,000				
Source: Moody's Investors Service; Medians 1997 City of St. Louis population estimated at 351,000 per St. Louis Chapter of American Statistical Ass Real and personal property valuations per City Assessor's office with full value of Merchant's and Manufacturer's inventory estimated at 3 times assessed valuation.				

The balance of the City's General Obligation debt will be retired in FY99 and so remains well under the 10% cap established by the Missouri Constitution. Overall net debt for the City is about \$1,499 per capita, which is in the median range for cities of similar size based on Moody's Medians for 1997. As a percent of the City's full valuation, overall net debt is above the median for similar sized cities. The City's ability to manage its finances and maintain positive fund balances are key to the City's debt issuance policy. Standard and Poor's Corporation raised its rating on the City's G.O. bonds to A- from BBB+ on February 6, 1997. This was S&P's second rating upgrade in less than two years and follows similar moves in 1996 by Moody's Investors Service which raised it rating from Baa to Baal and Fitch Investor Services which raised its rating from BBB to BBB+. The City's G.O. bond rating is the strongest it has been since 1983.

# CITY OF ST. LOUIS PROFILE

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Date of Incorporation	1823
City Charter Adopted	1914
Form of Government	Mayor/Council
Area Of City	61.38 Square Miles
Population (1990)	396,685

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## City Government

Wards	28
Precincts	365
Registered Voters	198,756

## Fire Protection

Authorized No. Fire Fighters	631
Fire Stations	30

## Police Protection

Auth. No. Police Officers	1,723
Auth. No. Civ. Police Emp.	638
Police Area Command Bld	3

## Parks, Recreation and Forestry

Parks	104
Park Acreage	3,000
Recreation Centers	10

## Streets

Streets (miles)	1,100
Alleys (miles)	600
Intersections w/ Traffic Sig	630
Street Lights	51,000
Alley Lights	15,814
Easement Lights	2,165

## Enterprise Funds:

### Water Division

Treatment Plants	2
Plant capacity per day (in mil. gals.)	340
Storage capacity per gallon (in mil. gals)	100
Average demand per day (in mil. gals.)	140

### Lambert - St. Louis International Airport

Major Airlines	10
Commuter Airlines	4
Air Cargo Carriers	6
Number of Passengers	27,180,780
Aircraft Operations	490,669

Sources: *Comptroller's Annual Report*  
*City Departments*

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

	Housing Value		Comm./Indus.
	<u>New</u>	<u>Rehab</u>	<u>Development</u>
1993	\$4.37	\$8.50	\$326.53
1994	\$6.83	\$10.80	\$274.22
1995	\$12.59	\$12.24	\$263.29
1996	\$29.11	\$20.79	\$217.50
1997	\$15.57	\$19.70	\$177.98

Source: *Building Division, City of St. Louis*

# CITY OF ST. LOUIS PROFILE

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## Top 20 Employers - 1996

(Non- Governmental)

<u>Company</u>	<u>Employees</u>
BJC Health Systems	11,216
St. Louis University	10,506
Washington University	10,170
Southwestern Bell	6,577
Anheuser Busch, Inc.	6,275
May Dept. Stores	5,380
Boatmen's Bank <sup>1</sup>	5,239
Deaconess Hospital <sup>2</sup>	3,175
Union Electric	2,506
Mercantile Bank	2,503
A.G. Edwards	2,373
St. Louis Childrens Hospital	2,363
Trans World Airlines	2,013
Sigma Chemical	1,861
Ralston Purina Co.	1,790
Edison Brothers	1,717
President Riverboat Casino	1,687
Adams Mark Hotel	1,638
Cardinal Glennon Hospital	1,619
Union Pacific Railroad	1,615

Other major non-commercial employers in the City employing in excess of 3,500 employees include the City of St. Louis, St. Louis Public School District, U.S. Post Office and the State of Missouri.

<sup>1</sup> Boatmen's Bank is now part of NationsBank

<sup>2</sup> Deaconess Hospital is now part of Tenet Healthcare

## City Economic Data

Med. Household Effect. Buying Inc. (1996)	\$25,959
Avg. Household EBI (1994)	\$33,363
Per Capita EBI (1994)	\$13,915

Source: St. Louis RCGA

Avg. Labor Force (11 mos. - 1997)	169,742
Avg. No. Employed (11 mos. - 1997)	158,356
% Unemployed (11 mos. - 1997)	6.7%

Source: U.S. Dept. of Labor, Bureau of Labor Statistics  
and Mo. Dept. of Labor and Industrial Relations

## City Employment By Industry Group -3rd Q '97

(Non- Farm)

Manufacturing	38,827
Services	82,747
Government	41,781
Retail Trade	27,901
Transportation, Communication and Public Utility	20,886
Finance	21,464
Wholesale Trade	14,727
Construction	6,498
Other	200
<b>Total</b>	<b>255,031</b>

Source: City of St. Louis Collector of Revenue Source: Missouri Dept. of Labor and Industrial Relations



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## GLOSSARY

### **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 city-wide 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.



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### **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.

### **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.



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### **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.



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### **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. 27<sup>th</sup> 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 equal to 5% of the general fund budget.

### **General Fund**

The main operating fund of the City.

### **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.

### **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.

### **Prevention and Detention Fund**

Fund established in FY96 that will be used to finance the design and construction of a new jail. This fund will also support improvements for recreation facilities to promote crime prevention.

### **Program**

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



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### **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.

### **St. Louis Rams Practice Facility Fund**

Fund established in 1995 to pay the debt on the City's \$5.0 million contribution to the construction of a practice facility for the St. Louis Rams football team. Revenues to the fund are derived from the City's 5% gross receipts tax on admissions to NFL football games.

### **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.



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### **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 27<sup>th</sup> pay day occurs. With bi-weekly pay periods, a 27<sup>th</sup> pay day will occur once every 11 years. A 27<sup>th</sup> pay day occurred in FY95.

### **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.