

## SUMMARY AND OVERVIEW

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### EXECUTIVE SUMMARY

The proposed FY1999 Annual Operating Plan reflects a continued commitment to enhance the quality of life for the City's residents and ensure that visitors and commuters alike enjoy a pleasant stay. In furthering this commitment, the proposed allocation of general revenues reflects many of the service priorities desired by City residents, specifically in the areas of public safety and neighborhood stabilization. The plan also strives to ensure that City departments and agencies charged with providing these services are well equipped and prepared to provide them both efficiently and effectively.

In the area of public safety, the operating budget includes an increase of approximately \$800,000 to accommodate the full year cost of two police hiring grants that expired in FY1998. In recent

years, these grants from the Bureau of Justice Assistance have provided for the addition of 48 uniformed police officers whose funding is continued with this commitment of City funds.

The proposed FY1999 operating plan includes funds for scheduled debt payments on the new justice center and anticipates the issuance of additional bonds to complete the project. The proposed redesign of the facility would consolidate prisoner processing and holdover functions of the Police Department with those of the Corrections Division. The project is estimated to be completed by the beginning of FY2002.

Approximately \$130,000 in funds is provided to the City's Fire Department for the purchase of an automated information retrieval system for its Emergency Medical Service section

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(EMS) and for insurance verification and billing services for the EMS billing operation. The automated retrieval system will both enhance EMS's ability to provide accurate patient billing information as well as allow EMT's and paramedics to focus more on patient care and less on information retrieval. The EMS billing section has realized a 45% increase in revenues to date in FY98 and with these billing enhancements should be able to continue this progress in the coming fiscal year.

In FY1999, the City's judicial offices will for the second year be purchasing computer equipment and related services as part of the on-going "Electronic Court – 2004" state computerization initiative. The office of the Circuit Attorney will likewise be upgrading computer equipment to take advantage of a new case management system offered free of charge by the State of Missouri. This new system will ultimately provide savings by eliminating

the cost associated with REJIS services for that office. With a decline in the number of juvenile placements in recent years, the cost of institutional payments of the Juvenile Division of the Circuit Court will decrease by about \$950,000.

The issue of public safety capital needs will remain a concern in the coming fiscal year. The City's last general obligation bond issue was in 1986. The fire equipment and improvements purchased with those funds are now over eleven years old. In FY1999, the City will seek voter approval for a new bond issue to address these needs. In the meantime, \$2.5 million in projected surplus revenues in the current fiscal year are being appropriated for the replacement of the City's antiquated warning siren system.

The neighborhood stabilization effort includes an additional \$550,000 in personnel costs for the continued expansion of the Forestry Division's

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weed and debris control programs and \$80,000 for enhanced legal support of nuisance property abatement efforts. Combined with continued efforts of the trash task force and use of capital funds for abandoned building demolition, these programs provide a means for stabilizing neighborhoods and improving prospects of future housing and other development.

In FY1999, the City's Health Division will see an increase in general funds for health programs to provide better tracking capabilities of infectious diseases and other health service data and to respond to increasing restrictions placed on grant funded activities.

In recent years the City has made great strides in updating its computing capabilities. Operating departments continue to find new efficiencies as a result of being "networked". In order to manage the growing number of computer networks, departments coming on-line and particularly the challenge of the Year

2000 problem, the Information Systems section of the Budget Division will increase approximately \$0.5 million in personnel and equipment. An additional \$0.5 million is being allocated from the communications fund balance to provide for contractual services to specifically supplement the Year 2000 effort.

Other provisions in the proposed Annual Operating Plan include funds for the four citywide elections that will occur in FY1999 and allocations for cost of living adjustments for police officers, firefighters and other City employees.

The Capital Improvements budget contains \$2.6 million in funds to complete the Civil Courts Building renovation project and allocates \$1.0 million in design work for the previously discussed Justice Center. Arterial street paving and bridge repair remains a priority with funding provided to maximize the matching funds available under the federal surface transportation

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(ISTEA) program. Allocations for the replacement of rolling stock, lease debt payments and budgets for various neighborhood, park and recreation center improvements are also included. In FY1999, the one-half cent capital improvement sales tax is projected to provide another \$17.5 million to address the City's capital needs. Of this amount one-half or \$8.75 million will be allocated to the 28 wards of the City for various neighborhood improvement

projects. In FY1998, Lambert International Airport witnessed the opening of its expanded East Terminal and soon anticipates FAA action on the proposed Airport Expansion plan. Meanwhile, the Airport continues to set new passenger records, serving over 27.6 million passengers in 1997. The proposed Airport budget reflects some increase in personnel and debt payments related to these activities.

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**Highlights of the FY1999 Operating Plan**

- Approximate \$800,000 increase for the full year cost of expired police hiring grants
- Additional \$550,000 in the Forestry Division for continued expansion of vacant building, alley and lot cleaning efforts
- \$0.5 million in a General Fund subsidy of activities of the St. Louis Development Corporation
- Provision for pay increases for Police and firefighters of about \$4.4 million
- Approximate \$4.4 million for anticipated pay increases for other City employees
- Purchase of an automated data retrieval system for EMS and other billing improvements for approximately \$130,000
- \$1.6 mil. Increase to meet existing and anticipated lease debt obligations
- Provision for four city-wide elections at a cost of approximately \$1.1 million
- \$200,000 for software to track infectious diseases and health services of the Health Division.
- A reduction of \$300,000 in salt and snow chemical costs due to mild 1997-98 winter
- \$1.0 million in general and communications fund revenues to bolster Information Services capabilities and meet Year 2000 challenge
- Decline of juvenile court placements resulting in a reduction of \$950,000 in institutional payments
- Completion of Civil Courts building project and Justice Center design with \$2.6 mil. and \$1.0 million in capital funds respectively
- \$2.5 million to replace warning siren system

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### Summary

In summary, the total budget appropriation for FY1999 is \$652.1 million. Over 50%, or \$360.7 million, is appropriated from general revenue to pay for day-to-day City operations. City general funds are supplemented by approximately \$44 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 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

Total funds available for appropriation for FY1999 are \$360.7 million. This represents a 2.4% percent increase over the revised FY1998 estimate. The revenue forecast is based on continued growth of both the earnings and payroll taxes, as well as increases in gross receipts based license fees. Sales tax growth has remained sluggish during the current year. The FY1999 forecast calls for growth of about 1.8% over revised FY1998 estimates. Franchise utility taxes should show a modest recovery from FY1998 without a repeat of this year's unusually mild winter. Intergovernmental revenues continue to remain relatively flat with a slight increase in the motor vehicle sales tax. Departmental revenues will see a decline mainly due to the fact that the City will no longer be serving as the agent for

distributing general relief payments from the State. These funds will now flow directly to health care providers.

#### Uses of Funds

The proposed FY1999 Annual Operating Plan includes a General Fund budget that provides for public safety and neighborhood improvement concerns and seeks to ensure that City departments and agencies are prepared to deliver the many services on which residents and visitors alike rely. Some of the highlights of the general fund budget are presented on the previous table. In general these include providing general revenues to offset expired and/or restricted grant funding for Police officers and certain health programs, providing for cost-of-living adjustments for police, firefighters and other city employees and ensuring that the City meets contractual requirements on lease debt and other obligations. Specific initiatives include

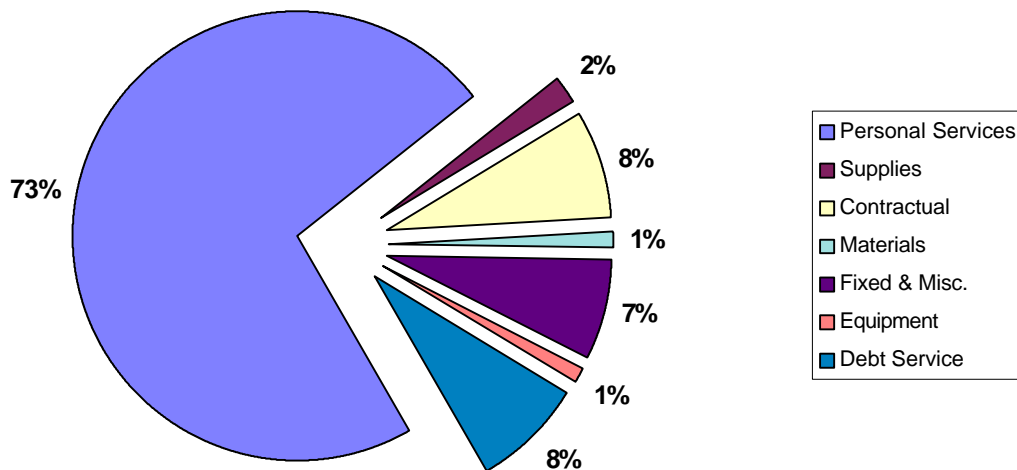
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an expanded effort to clean vacant lots, buildings and alleys, a \$0.5 million allocation to support the development activities of the St. Louis Development Corporation and the purchase of an automated data retrieval system for the Emergency Medical Service of the Fire Department. The Information Services Section of the City Budget Division will be adding personnel and support in order to meet the growing information service

needs and the Year 2000 problem. The Budget Division is also seeking to establish a program to identify grant-funding opportunities and provide technical assistance in the preparation of grant applications. The FY1999 general fund budget also provides approximately \$1.1 million to the Election Board for four citywide elections that will occur during the coming fiscal year.

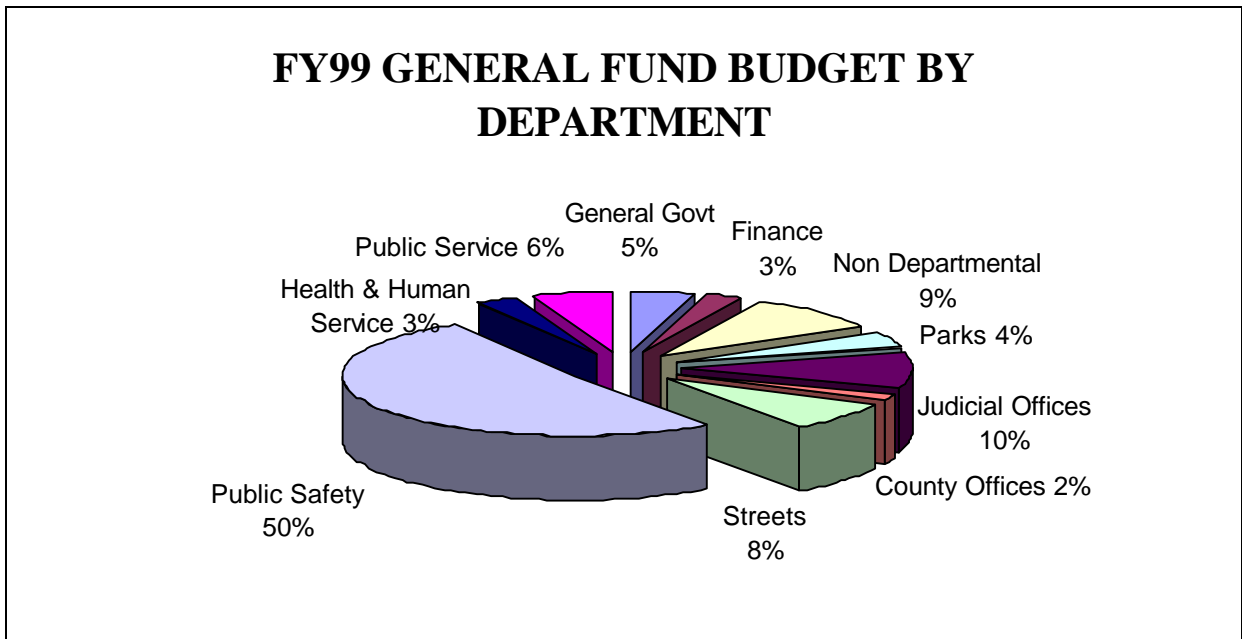
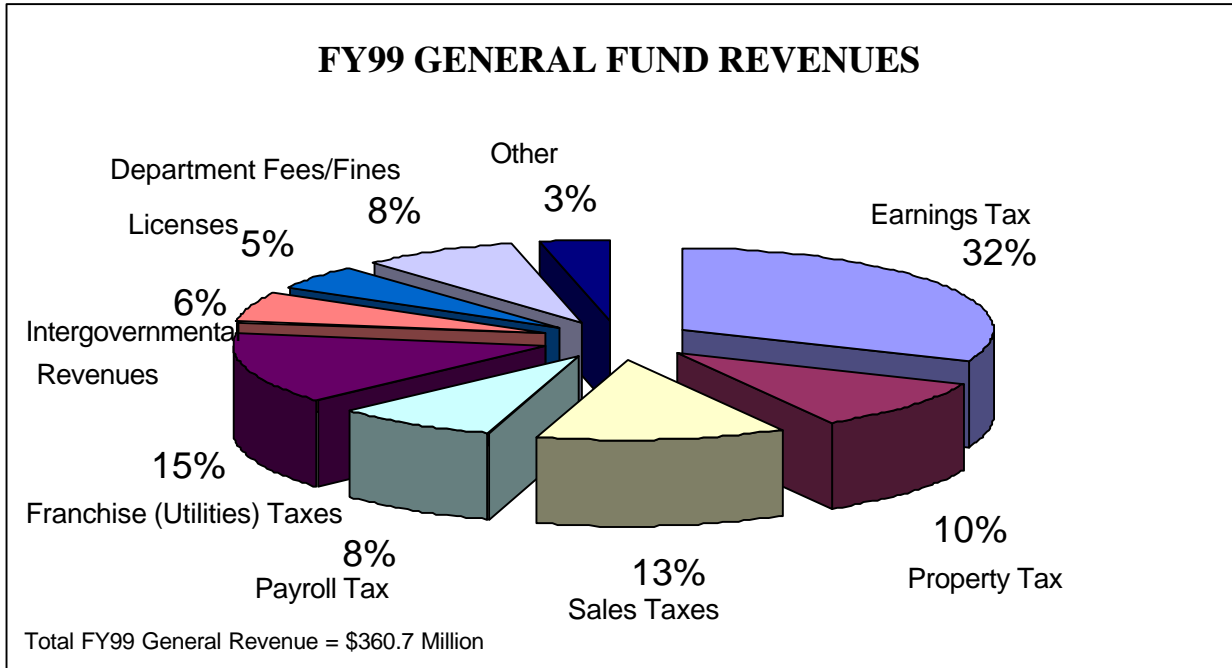
**FY99 General Fund Budget By Expense Category**



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The following charts illustrate the sources and uses of funds of the FY1999 general fund budget.



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### Projected Operating Results

Based on the projected revenues and appropriations discussed above, we expect to end fiscal year FY1999 with a general fund operating balance of approximately \$23,000. The FY1998 operating balance is currently projected at 5.0 million. In FY99, this surplus will be appropriated to the capital fund so that the City can replace its emergency siren warning system among other capital items. The City's unreserved general fund balance will increase by about \$1.9

million, however, as a result of the release of reserved funds following the settlement of the local use tax liability.

In FY99 the unreserved general fund balance is estimated to be approximately \$14.6 million or about 4.0% of the FY1999 General Fund Budget.

Estimated Revenue and Other Funds	\$360,695,000
General Fund Appropriation	360,672,202
Estimated Excess of Revenue over Appropriation	<u>\$ 22,798</u>

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### CAPITAL IMPROVEMENTS

The City of St. Louis' Capital Committee has proposed a five-year-capital improvement plan that totals \$172 million. The City's FY1999 capital budget funds this first year of this plan with a recommended appropriation of \$41.9 million. The one-half cent sales tax for capital improvements will generate \$17.5 million approximately the same amount as in FY1999 and about 42% of the total FY1999 capital budget. The proposed capital budget incorporates \$6.2 million in payments from the sale of Columbia Bottoms, \$2.8 million from projected gaming revenues, \$12.6 million in general fund transfers, and \$2.8 million from other sources.

Capital improvement projects planned for FY1999 include road and bridge improvement projects, neighborhood stabilization projects, and facility improvements and equipment replacement. Highlights of the capital

budget include:

- **\$27.8 million in Citywide Capital Improvements:** Citywide projects include existing debt payments on the Civil Courts and Justice Center projects, road and bridge improvements, equipment replacement, improvements to city buildings and structures and replacement of the City's siren warning system. Included in the improvements to city buildings and structures category are funding for design of the Justice Center, continued additions to the Civil Courts project, and initial funding for building a flood wall along the River des Peres.
- **\$8.75 million in Ward Improvements:** Each ward will receive \$312,000 for projects such as neighborhood park improvements, residential street resurfacing, street

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lighting enhancements, and dumpster replacement. Additionally, the Citizen's Advisory Committee for Capital Improvements has recommended that a portion of these funds be allocated to replace the current emergency warning siren system.

- **\$3.0 million for Major Parks**

**Improvements:** The City's six major parks, Forest, Tower Grove, Carondelet, Fairgrounds, O'Fallon and Willmore receive dedicated funding for capital improvements. In addition to the major renovations ongoing in Forest Park, planned improvements in fiscal 1999 include the construction of tennis courts in Carondelet and Willmore Parks, renovation of several structures in Tower Grove Park, playground and ballfield upgrades in Fairgrounds Park, and continued roadway construction in O'Fallon Park.

- **\$0.5 million for Recreation Center**

**Improvements:** Various improvement projects will be undertaken at some of the city's ten recreation centers. Slated for funding in fiscal 1999 is completion of the air conditioning project at Tandy Center as well as lighting upgrades at Buder Center. In addition, improvements will continue to be made at other centers in an ongoing effort to bring all relevant structures into compliance with the Americans with Disabilities Act.

- **\$1.8 million for the Police**

**Department:** The Police Department will use a portion of its sales tax proceeds to pay debt service on the area command stations. Funds not required for the command stations project will be used to offset increased costs of the Justice Center project incurred as a result of design changes to accommodate a prisoner processing center.

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### 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 programs and identifies outputs and projected performance levels.

**Capital Improvements:** The City's FY1999 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 FY1999 budget of the City of St. Louis. The discussion that follows describes the economic outlook for the City and region and presents a detailed review of the general operating fund budget as well as budgets for enterprise and special revenue funds. This section also includes summary tables of sources and uses of funds for all fund groups and describes the major sources of revenue for FY1999.

### ECONOMIC OUTLOOK

#### National Economic Outlook

The economic outlook for the U.S. economy remains positive with GDP projected to grow by 2.8% in calendar 1998. Despite the continued expansion, inflation has remained remarkably under control. The inflation rate as measured by the growth in CPI was up only 2.3% in 1997 and is projected to remain in the

2% range over the next year. The national unemployment rate also remains low, standing at 4.7% at the end of the first quarter of this year and is projected to remain around this level over the next twelve months.

#### Missouri Economic Outlook

The state of Missouri has continued to see an increase in the number of jobs statewide. While manufacturing employment has shown a consistent decline, the State is gaining new jobs in such service areas as finance, insurance and real estate. The St. Louis area is participating in this job growth with 2,000 jobs to be added by MCI Corporation and up to 1,500 jobs by Southwestern Bell. The State of Missouri's budget for 1999 cites the growth in personal income in 1997 at 5.6%. This growth is projected to continue over the next two years although at a slightly more moderate pace.

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### St. Louis Economic Outlook

The City's Annual Operating Plan and budget play a pivotal role in promoting the vitality of the local economy by providing essential services and maintaining the infrastructure on which local businesses and industry depend. These services and infrastructure help promote growth in economic activities that bring new dollars into the metropolitan region that in turn produce jobs and income for residents and just as importantly, revenues for the City. The St. Louis area economy can be characterized as a mix of local export industries such as automobiles, medical and defense technologies with growing service and tourism industries. The St. Louis Metropolitan area has a total population of about 2.6 million people. Recent estimates put the City population at 351,000, or just under 14% of the regional total. With a little less than half of the region's office space, downtown

St. Louis has the single largest concentration of employment in the area. Quality of life issues such as reasonably priced housing, short commuting times, quality public transportation, private and parochial schools, low crime and the availability of cultural activities are among its major assets. Additionally, the region ranks as the nation's seventh largest corporate headquarters market with 22 Fortune 1000 corporations located here.

Major public works projects either already underway or planned to begin in the FY1999 fiscal year include the new \$180 million Federal Courthouse, a new City Justice Center now estimated at about \$90 million and the \$46.8 million mixed income housing development project at the current Darst-Webbe public housing complex. Major public works projects will continue in Forest Park utilizing proceeds from the 1997 bond issue and other public improvement projects are underway at the parks

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cultural institutions.

The list of current and pending private construction projects includes a new \$9 million Schnucks grocery center on the City's northside, a \$20 million Drury Hotel development at the old Fur Exchange building, a \$5 million expansion at the Middendorf Meat Co., and the planned construction of a new \$172 million downtown convention hotel.

Other developments will have both positive and negative effects on the City's revenue base. The recent merger announcement of Sherwood, Davis & Geck Medical Co. will lead to the loss of an estimated 400 jobs in the City. Meanwhile the recently completed acquisition of St. Louis University Hospital by Tenet Healthcare Corporation adds the activities of that institution to the City's tax base.

The St. Louis Development Corporation (SLDC), will continue its efforts on major projects such as the

development of the Arena site and will promote small businesses growth with such programs as the SBA 7A Loan, Micro Loan, Revolving Loan Fund and tax abatement programs.

Through the provision of City 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. This continued role will in turn provide the necessary revenue base for maintaining services to residents and visitors alike and keep the City in a sound fiscal position.

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### **FY1999 OPERATING PLAN – FUND GROUPS**

The general appropriation for the City of St. Louis for FY1999 totals \$652.1 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 FY1999.

#### **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

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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. 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 document.

### **FY1999 ALL FUND BUDGET NOTES**

The total appropriation of \$652.1 million represents an increase of about 2.5% over revised FY98 revenue estimates. In the special funds category, the City's outstanding general obligation debt is to be retired in FY99, and therefore the property tax levy for the debt service fund will decline next year. The capital fund appropriation includes \$6.2 million in revenue from the final two payments from the State of Missouri for the sale of Columbia Bottoms to the state. The Gaming Fund appropriation of \$5.4 million has been conservatively budgeted to make up for an approximate \$450,000 shortfall in FY98 due to an

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earlier barge accident on the Mississippi River. The Communications fund will utilize approximately \$500,000 in its existing fund balance to supplement Year 2000 compliance efforts. Approximately \$1.0 million in surplus hotel sales tax revenues currently in the Convention and Sports facility trust fund have been appropriated to the General Fund to meet

a one-time increase in debt service on the convention center facility.

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.

**FY1999 REVENUE SUMMARY - ALL FUNDS**  
(in millions)

	FY97 Actual	FY98 Revised	FY99 Budget	Percent Change FY98-99
<b>General Fund</b>				
Earnings Tax	\$108.7	\$110.7	\$113.4	2.5%
Property Tax	36.4	35.7	36.7	2.8%
Sales Tax	46.3	46.8	47.6	1.8%
Payroll Tax	28.1	28.7	29.4	2.6%
Franchise (Utilities) Taxes	49.8	50.5	51.7	2.4%
Other Taxes	1.7	1.8	1.7	-5.6%
License Fees	18.4	18.1	18.3	1.2%
Grants & Intergovernmental Revenues	16.6	22.0	21.7	-1.3%
Department User Fees and Fines	28.4	28.8	29.3	1.6%
Transfers	9.9	9.3	10.9	17.2%
	<u>\$344.2</u>	<u>\$352.3</u>	<u>\$360.7</u>	<u>2.4%</u>
<b>Special Revenue Funds</b>				
Property Tax	\$4.7	\$4.6	\$3.2	-31.8%
Sales Tax	0.9	1.4	1.1	-20.0%
Franchise (Utilities) Taxes	4.1	4.0	4.0	0.0%
Other Taxes	8.8	7.7	8.0	2.9%
License Fees	1.0	1.0	1.0	0.1%
Grants & Intergovernmental Revenues	40.3	45.6	48.0	5.2%
Department User Fees and Fines	23.4	25.5	24.7	-2.9%
Transfers	0.7	1.2	1.2	0.0%
Other Resources	2.4	2.5	0.3	-89.1%
	<u>\$86.2</u>	<u>\$93.6</u>	<u>\$91.5</u>	<u>-2.3%</u>
<b>Capital Improvements Funds</b>				
1/2 Cent Sales Tax	\$17.9	\$17.5	\$17.5	0.0%
Grants & Intergovernmental Revenues	1.8	1.8	1.8	0.0%
Transfers	9.6	10.0	10.4	3.9%
Other Resources	1.1	3.8	7.2	89.1%
Previous Year Surplus	5.3	4.9	-0.1	-101.6%
	<u>\$35.6</u>	<u>\$38.0</u>	<u>\$36.8</u>	<u>-3.1%</u>
<b>Enterprise Funds</b>				
Franchise (Utilities) Taxes	\$4.1	\$4.0	\$4.0	0.0%
Enterprise Revenues	136.2	145.7	148.1	1.6%
Other Resources	0.0	1.5	0.0	-100.0%
	<u>\$140.3</u>	<u>\$151.2</u>	<u>\$152.1</u>	<u>0.6%</u>
<b>Total General Appropriation</b>				
	<u><b>\$606.4</b></u>	<u><b>\$635.2</b></u>	<u><b>\$641.1</b></u>	<u><b>0.9%</b></u>
<b>Funds Appropriated Separately</b>				
Community Development (CDBG) & Housing Gran	\$33.9	\$36.5	\$37.7	3.3%
Street Improvement Fund	4.4	4.5	4.5	0.0%
Parking Division Revenues	8.9	7.6	8.4	10.5%
Transportation Fund Sales Taxes	25.7	30.3	30.4	0.3%
	<u>\$72.9</u>	<u>\$78.9</u>	<u>\$81.0</u>	<u>2.6%</u>
<b>Total All Sources</b>				
	<u><b>\$679.3</b></u>	<u><b>\$714.0</b></u>	<u><b>\$722.1</b></u>	<u><b>1.1%</b></u>

<sup>1</sup> CDBG and housing grants and Street Improvement funds appropriations are for calendar years 1996, 1997 and 1998.

<sup>2</sup> Special Revenue funds includes supplemental budget for local law enforcement block grant in FY98.

<sup>3</sup> Capital improvement amounts reflect budgeted totals including supplemental appropriations in FY97 and FY98.

**FY99 BUDGET - ALL FUNDS**  
(in millions)

Fund	FY97 Actual	FY98 Budget	FY99 Budget	Percent Change FY98-99
<b>General Fund</b>	\$336.9	\$346.7	\$360.7	4.0%
<b>Special Revenue Funds</b>				
Debt Service Fund	\$5.7	\$5.7	\$2.2	-61.5%
Capital Fund <sup>2</sup>	\$34.6	\$38.0	\$41.9	10.4%
Assessment Fund	\$3.0	\$3.2	\$3.4	6.7%
Employee Benefits Fund	\$17.8	\$20.4	\$19.6	-4.1%
Convention and Tourism Fund	\$3.3	\$3.4	\$3.5	4.5%
Lateral Sewer Fund	\$3.4	\$3.2	\$3.5	10.1%
Cable Communications Fund	\$1.0	\$1.3	\$1.4	8.6%
Port Authority	\$2.3	\$3.0	\$2.3	-23.5%
Riverfront Gaming Fund	\$1.3	\$4.0	\$3.9	-2.6%
Convention and Sport Facility Trust Fund	\$3.6	\$4.0	\$5.3	31.3%
Other Special Revenue Funds	\$5.2	\$10.1	\$8.4	-17.6%
	\$81.2	\$96.2	\$95.3	-1.0%
<b>Grant Funds</b>				
St. Louis Agency on Training and Employment	\$5.8	\$7.7	\$6.5	-16.7%
Health and Human Services	\$16.0	\$24.4	\$24.6	0.8%
Police Department	\$4.3	\$5.5	\$5.0	-9.6%
Other Grants	\$1.0	\$4.6	\$6.3	37.4%
	\$27.0	\$42.3	\$42.3	0.2%
<b>Enterprise Funds</b>				
Water Division	\$35.7	\$43.6	\$44.8	2.7%
Airport Authority	\$90.4	\$101.4	\$109.1	7.6%
	\$126.0	\$145.0	\$153.9	6.1%
<b>Total General Appropriation</b>	<b>\$571.1</b>	<b>\$630.3</b>	<b>\$652.2</b>	<b>3.5%</b>
<b>Separate Appropriations <sup>1</sup></b>				
Community Dev. (CDBG) & Housing Grants	\$37.5	\$37.2	\$36.5	-2.0%
Street Improvement Fund	\$4.4	\$4.0	\$4.6	15.0%
Parking Division	\$8.9	\$7.6	\$8.4	10.5%
Transportation Fund	\$25.7	\$30.3	\$30.4	0.3%
	\$76.5	\$79.1	\$79.9	1.0%
<b>Total All Sources</b>	<b>\$647.6</b>	<b>\$709.4</b>	<b>\$732.0</b>	<b>3.2%</b>

<sup>1</sup> CDBG & housing grants and Street Improvement funds appropriations are for calendar years 1996, 1997, and 1998 and are appropriated separately. Spending for any one grant year appropriation may occur over a period of several years.

<sup>2</sup> Capital improvement amounts reflect budgeted totals including supplemental appropriations in FY97 and FY98.

**FY1999 BUDGET - ALL FUNDS  
BY DEPARTMENT**

<b>Department</b>		<b>General Fund</b>	<b>Special Funds Revenue</b>	<b>Grant</b>	<b>Enterprise Funds</b>	<b>Total Funds</b>
<b>GENERAL GOVERNMENT</b>						
110	Board of Aldermen	1,958,621	-	-	-	1,958,621
120	Mayor's Office	1,722,830	-	-	-	1,722,830
121	St. Louis Agency on Training and Emp.	156,693	-	6,450,042	-	6,606,735
123	Department of Personnel	2,912,916	-	-	-	22,477,358
	Employee Benefits Fund	-	19,564,442	-	-	
124	Register	109,082	-	-	-	109,082
126	Civil Rights Enforcement Agency	458,397	-	170,756	-	629,153
130	Soldier's Memorial	142,232	-	-	-	142,232
137	Budget Division	3,536,632	500,000	-	-	4,036,632
139	City Counselor	5,361,865	-	-	-	5,361,865
	<b>Subtotal</b>	<b>16,359,268</b>	<b>20,064,442</b>	<b>6,620,798</b>	<b>-</b>	<b>43,044,508</b>
<b>FINANCE</b>						
160	Comptroller	6,829,280	-	-	-	11,109,784
	Lateral Sewer Fund	-	47,934	-	-	
	Columbia Bottoms	-	30,000	-	-	
	Tax Increment Financings	-	1,851,000	-	-	
	Trustee Lease Fund	-	2,351,570	-	-	
162	Municipal Garage	220,688	-	-	-	220,688
163	Microfilm	303,230	-	-	-	303,230
170	Supply Commissioner	500,888	-	-	-	500,888
171	Multigraph	1,254,032	-	-	-	1,254,032
172	Mail Room	-	1,019,813	-	-	1,019,813
180	Assessor	-	3,432,238	-	-	3,432,238
	<b>Subtotal</b>	<b>9,108,118</b>	<b>8,732,555</b>	<b>-</b>	<b>-</b>	<b>17,840,673</b>
<b>NON-DEPARTMENTAL</b>						
190	City Wide Accounts	34,500,700	-	-	-	41,370,700
	Convention and Tourism Fund	-	3,500,000	-	-	
	Riverfront Gaming Fund	-	3,370,000	-	-	
	<b>Subtotal</b>	<b>34,500,700</b>	<b>6,870,000</b>	<b>-</b>	<b>-</b>	<b>41,370,700</b>
<b>PARKS, RECREATION &amp; FORESTRY</b>						
210	Director, Parks, Recreation and Forestry	291,856	-	274,500	-	566,356
213	Division of Recreation	2,485,632	-	-	-	2,485,632
214	Division of Forestry	5,029,204	-	-	-	5,029,204
220	Division of Parks	7,508,230	-	-	-	7,508,230
250	Tower Grove Park	632,000	-	-	-	632,000
	<b>Subtotal</b>	<b>15,946,922</b>	<b>-</b>	<b>274,500</b>	<b>-</b>	<b>16,221,422</b>
<b>JUDICIAL OFFICES</b>						
310	Circuit Clerk	1,722,480	-	-	-	1,722,480
311	Circuit Court	5,778,902	-	-	-	5,778,902
312	Circuit Attorney	4,507,232	1,158,320	205,926	-	5,871,478
313	Board of Jury Supervisors	1,402,676	-	-	-	1,402,676
314	Probate Court	112,150	-	-	-	112,150
315	Sheriff	6,273,893	-	-	-	6,273,893
316	City Courts	2,518,084	150,000	-	-	2,668,084
317	City Marshal	1,105,815	-	-	-	1,105,815
320	Probation and Juvenile Detention Center	11,244,971	-	-	-	11,244,971
	<b>Subtotal</b>	<b>34,666,203</b>	<b>1,308,320</b>	<b>205,926</b>	<b>-</b>	<b>36,180,449</b>
<b>COUNTY OFFICES</b>						
330	Tax Equalization Board	16,000	-	-	-	16,000
331	License Collector	-	5,998,712	-	-	5,998,712
333	Recorder of Deeds	1,447,287	-	-	-	1,447,287
334	Board of Election Commissioners	2,278,938	-	-	-	2,278,938
335	Medical Examiner	1,316,620	-	100,000	-	1,416,620
340	Treasurer	601,263	-	-	-	601,263
	<b>Subtotal</b>	<b>5,660,108</b>	<b>5,998,712</b>	<b>100,000</b>	<b>-</b>	<b>11,758,820</b>

**FY1999 BUDGET - ALL FUNDS  
BY DEPARTMENT**

<b>Department</b>		<b>General Fund</b>	<b>Special Funds Revenue</b>	<b>Grant</b>	<b>Enterprise Funds</b>	<b>Total Funds</b>
<b>PUBLIC UTILITIES</b>						
401	Cable Communications	-	1,428,389	-	-	1,428,389
414	Soulard Market	283,982	-	-	-	283,982
415	Water Division	-	-	-	44,769,033	44,769,033
420	Airport Authority	-	-	-	109,097,218	109,097,218
	<b>Subtotal</b>	<b>283,982</b>	<b>1,428,389</b>	<b>-</b>	<b>153,866,251</b>	<b>155,578,622</b>
<b>STREETS</b>						
510	Director of Streets	782,958	-	-	-	4,204,726
	Lateral Sewer Fund	-	3,421,768	-	-	
511	Traffic and Lighting	7,019,737	-	-	-	7,019,737
513	Auto Towing and Storage	1,283,442	-	-	-	1,283,442
514	Street Division	5,738,418	-	-	-	5,738,418
516	Refuse Division	13,695,188	-	361,825	-	14,057,013
520	Port Authority	-	2,291,000	-	-	2,291,000
	<b>Subtotal</b>	<b>28,519,743</b>	<b>5,712,768</b>	<b>361,825</b>	<b>-</b>	<b>34,594,336</b>
<b>PUBLIC SAFETY</b>						
610	Director of Public Safety	392,561	-	-	-	392,561
611	Fire Department	39,818,520	25,000	-	-	39,843,520
612	Firefighter's Retirement System	5,917,937	-	-	-	5,917,937
615	Air Pollution Control	325,338	-	859,770	-	1,185,108
616	Excise Commissioner	263,344	-	-	-	263,344
620	Building Commissioner	7,971,788	700,000	-	-	8,671,788
622	Neighborhood Stabilization	1,976,066	-	3,507,833	-	5,483,899
625	City Emergency Management Agency	232,319	-	-	-	232,319
631	City Jail	4,496,268	-	-	-	4,496,268
632	Medium Security Institution	12,015,820	-	-	-	12,015,820
650	Police Department	110,946,355	497,721	4,991,702	-	116,435,778
651	Police Retirement System	464,626	-	-	-	464,626
	<b>Subtotal</b>	<b>184,820,942</b>	<b>1,222,721</b>	<b>9,359,305</b>	<b>-</b>	<b>195,402,968</b>
<b>HEALTH AND HOSPITALS</b>						
700	Director, Health and Hospitals	1,060,884	-	-	-	1,060,884
710	Health Commissioner	682,108	-	8,277,150	-	8,959,258
711	Communicable Disease Control	1,731,024	-	1,395,519	-	3,126,543
712	School Health	683,626	-	-	-	683,626
713	Public Health Laboratory	611,153	-	-	-	611,153
714	Animal Regulation Center	566,192	-	-	-	566,192
715	Community Environmental Health	1,461,095	-	46,000	-	1,507,095
716	Lead Poisoning Control	641,064	-	195,371	-	836,435
717	Biostatistics/Vital Records	324,623	-	-	-	324,623
719	Immunization Service	130,741	-	257,000	-	387,741
720	Food Control	547,122	-	-	-	547,122
	<b>Subtotal</b>	<b>8,439,632</b>	<b>-</b>	<b>10,171,040</b>	<b>-</b>	<b>18,610,672</b>
<b>HUMAN SERVICES</b>						
800	Director of Human Services	2,057,753	55,000	14,465,220	-	16,577,973
	<b>Subtotal</b>	<b>2,057,753</b>	<b>55,000</b>	<b>14,465,220</b>	<b>-</b>	<b>16,577,973</b>
<b>BOARD OF PUBLIC SERVICE</b>						
900	President, Board of Public Service	4,597,067	288,803	-	-	4,885,870
903	Facilities Management	7,564,064	-	275,508	-	7,839,572
910	Equipment Services Division	8,147,699	-	-	-	8,147,699
	<b>Subtotal</b>	<b>20,308,830</b>	<b>288,803</b>	<b>275,508</b>	<b>-</b>	<b>20,873,141</b>
<b>CAPITAL IMPROVEMENTS FUND</b>		-	41,923,272	-	-	41,923,272
<b>DEBT SERVICE FUND</b>		-	2,197,000	-	-	2,197,000
<b>TOTAL BUDGET</b>		<b>\$360,672,201</b>	<b>\$95,801,982</b>	<b>\$41,834,122</b>	<b>\$153,866,251</b>	<b>\$652,174,556</b>

**FY1999 BUDGET SUMMARY BY FUND (in million \$)**

Sources and Uses	General Fund	Child Support Fund	Building Demolition Fund	Assessment Fund	Battered Persons Shelter Fund	Communications Fund	Lateral Sewer Fund	Parking Division Funds	1119 Special Funds	Riverboat Gaming Fund	SLATE	Community Development Agency *
<b>Projected Beginning Fund Bala</b>	<b>\$14.570</b>	<b>\$0.448</b>	<b>\$1.094</b>	<b>\$0.387</b>	<b>\$0.210</b>	<b>\$1.230</b>	<b>\$4.548</b>	<b>\$4.626</b>	<b>\$5.537</b>	<b>(\$0.300)</b>	<b>n/a</b>	<b>\$0.000</b>
<b>Revenues</b>												
Earnings Tax	113.425	--	--	--	--	--	--	--	--	--	--	--
Property Tax	36.680	--	--	0.940	--	--	--	--	--	--	--	--
Sales Tax	47.580	--	--	--	--	--	--	--	--	--	--	--
Local Use Tax	--	--	--	--	--	--	--	--	--	--	--	--
Motor Vehicle Sales Tax	3.600	--	--	--	--	--	--	--	--	--	--	--
Gasoline Tax	9.700	--	--	--	--	--	--	--	--	--	--	--
Payroll Tax	29.439	--	--	--	--	--	--	--	--	--	--	--
Franchise (Utilities) Taxes	51.674	--	--	--	--	1.225	2.750	--	--	--	--	--
Restaurant Taxes	1.700	--	--	--	--	--	--	--	--	--	--	--
3.5% Hotel Sales Tax	--	--	--	--	--	--	--	--	--	--	--	--
Other Taxes	0.100	--	--	--	--	--	--	--	--	--	--	--
License Fees	18.311	--	--	--	--	--	--	--	--	--	--	--
Enterprise Revenues	--	--	--	--	--	--	--	8.416	--	--	--	--
Grants / Other Intergovt. Revenue	8.324	1.750	--	0.839	0.055	--	--	--	--	4.200	6.450	37.698
Dept. User Fees, Fines & Other Rc	29.237	--	0.525	0.119	0.135	--	--	--	3.380	--	--	--
Transfers In	10.925	--	--	1.150	--	--	--	--	--	--	--	--
Other Resources	--	--	--	--	--	--	0.225	--	--	--	--	--
<b>Total Sources of Funds</b>	<b>\$360.695</b>	<b>\$1.750</b>	<b>\$0.525</b>	<b>\$3.048</b>	<b>\$0.190</b>	<b>\$1.225</b>	<b>\$2.975</b>	<b>\$8.416</b>	<b>\$3.380</b>	<b>\$4.200</b>	<b>\$6.450</b>	<b>\$37.698</b>
<b>Appropriations</b>												
Personal Services	262.123	0.747	--	2.753	--	0.766	0.299	3.973	0.542	0.498	1.407	2.692
Supplies	7.849	0.035	--	0.022	--	0.013	0.008	0.082	--	0.010	0.076	--
Materials	4.283	--	--	--	--	--	0.002	0.060	0.015	--	--	--
Equipment (less lease debt)	4.027	0.071	--	0.044	--	0.028	0.192	0.149	0.090	0.013	--	--
Contractual Services	27.594	0.127	0.700	0.345	--	0.376	0.070	0.603	0.209	0.003	1.632	35.006
Fixed & Misc. Charges	23.689	--	--	0.268	0.155	0.745	2.900	0.551	2.363	0.570	3.335	--
Debt Service (plus lease debt)	22.372	--	--	--	--	--	--	1.724	--	--	--	--
Transfers Out :												
Capital Lease Payments	6.785	--	--	--	--	--	--	--	--	--	--	--
Other Transfers Out	1.950	1.200	--	--	0.050	--	--	0.510	0.325	2.800	--	--
<b>Total Uses of Funds</b>	<b>\$360.672</b>	<b>\$2.180</b>	<b>\$0.700</b>	<b>\$3.432</b>	<b>\$0.205</b>	<b>\$1.928</b>	<b>\$3.471</b>	<b>\$7.652</b>	<b>\$3.544</b>	<b>\$3.893</b>	<b>\$6.450</b>	<b>\$37.698</b>
<b>Projected Ending Fund Balance</b>	<b>\$14.593</b>	<b>\$0.018</b>	<b>\$0.919</b>	<b>\$0.003</b>	<b>\$0.195</b>	<b>\$0.527</b>	<b>\$4.052</b>	<b>\$5.390</b>	<b>\$5.373</b>	<b>\$0.007</b>	<b>\$0.000</b>	<b>\$0.000</b>
nb: Fund balances exclude 27th pay reserves and other designated balances.												

\* 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.

**FY1999 BUDGET SUMMARY BY FUND (in million \$)**

Sources and Uses	1134-40 Grant Funds	Street Improvement Fund *	1217-20 Capital Improvements Funds	General Obligation Debt Service	Tax Increment Financings	Water Division Enterprise Fund	Airport Enterprise Fund	Mail Services Internal Service Fund	Tourism Fund	Employees & Hosp Health & Hosp Fund	Convention & Sports Facility Trust Fund	Rams Practice Facility Fund
<b>Projected Beginning Fund Bala</b>	n/a	\$0.183	\$5.080	\$1.169	\$0.000	\$10.000	\$10.000	\$0.000	\$0.416	\$1.456	\$1.199	\$0.952
<b>Revenues</b>												
Earnings Tax	--	--	--	--	0.200	--	--	--	--	--	--	--
Property Tax	--	--	--	1.028	1.200	--	--	--	--	--	--	--
Sales Tax	--	--	17.500	--	1.100	--	--	--	--	--	--	--
Local Use Tax	--	--	--	--	--	--	--	--	--	--	--	--
Motor Vehicle Sales Tax	--	0.751	--	--	--	--	--	--	--	--	--	--
Gasoline Tax	--	--	1.750	--	--	--	--	--	--	--	--	--
Payroll Tax	--	--	--	--	0.050	--	--	--	--	--	--	--
Franchise (Utilities) Taxes	--	3.666	--	--	0.065	4.000	--	--	--	--	--	--
Restaurant Taxes	--	--	--	--	0.030	--	--	--	3.566	--	--	--
3.5% Hotel Sales Tax	--	--	--	--	--	--	--	--	--	--	4.114	--
Other Taxes	--	--	--	--	--	--	--	--	--	--	--	--
License Fees	--	--	--	--	--	--	--	--	--	--	--	0.994
Enterprise Revenues	--	--	--	--	--	39.600	108.503	--	--	--	--	--
Grants / Other Intergovt. Revenue	34.505	--	--	--	--	--	--	--	--	--	--	--
Dept. User Fees, Fines & Other Rc	--	--	--	--	--	--	--	1.020	--	19.565	--	--
Transfers In	--	--	10.385	--	--	--	--	--	--	--	--	--
Other Resources	--	--	7.150	--	0.050	--	--	--	--	--	--	--
<b>Total Sources of Funds</b>	<b>\$34.505</b>	<b>\$4.417</b>	<b>\$36.785</b>	<b>\$1.028</b>	<b>\$2.695</b>	<b>\$43.600</b>	<b>\$108.503</b>	<b>\$1.020</b>	<b>\$3.566</b>	<b>\$19.565</b>	<b>\$4.114</b>	<b>\$0.994</b>
<b>Appropriations</b>												
Personal Services	7.720	1.162	--	--	--	16.211	29.970	0.116	--	0.294	--	--
Supplies	0.120	0.293	--	--	--	4.041	2.928	0.008	--	0.004	--	--
Materials	0.146	1.942	--	--	--	1.899	1.132	--	--	--	--	--
Equipment (less lease debt)	1.167	0.115	2.810	--	--	1.295	2.794	--	--	0.014	--	--
Contractual Services	1.548	1.088	28.155	--	--	6.687	18.118	0.894	--	0.124	--	--
Fixed & Misc. Charges	23.804	--	--	--	--	10.092	13.987	0.002	0.200	19.129	--	--
Debt Service (plus lease debt)	--	--	10.885	2.197	2.076	4.545	40.168	--	--	--	--	0.749
Transfers Out :												
Capital Lease Payments	--	--	--	--	--	--	--	--	--	--	--	--
Other Transfers Out	--	--	--	--	--	--	--	--	3.300	--	5.250	--
<b>Total Uses of Funds</b>	<b>\$34.505</b>	<b>\$4.600</b>	<b>\$41.850</b>	<b>\$2.197</b>	<b>\$2.076</b>	<b>\$44.770</b>	<b>\$109.097</b>	<b>\$1.020</b>	<b>\$3.500</b>	<b>\$19.565</b>	<b>\$5.250</b>	<b>\$0.749</b>
<b>Projected Ending Fund Balance</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.015</b>	<b>\$0.000</b>	<b>\$0.619</b>	<b>\$8.830</b>	<b>\$9.406</b>	<b>\$0.000</b>	<b>\$0.482</b>	<b>\$1.457</b>	<b>\$0.063</b>	<b>\$1.197</b>

nb: Fund balances exclude 27th pay reserves and other designated balances.

\* 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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### FY1999 GENERAL FUND BUDGET

The FY1999 general fund-operating budget at \$360.7 million represents an increase of approximately 4% over that of the current year. While Public Safety and Neighborhood Stabilization remain as the chief focus of the budget, the FY1999 proposal also attempts to address technology challenges, operational efficiencies as well as continued improvements in service delivery. To maintain and enhance the City's fiscal integrity, the FY1999 proposed budget is based on a set of conservative assumptions regarding revenue growth and on a commitment to fund continuing operations from operating revenues only.

The operating budget of the Police Department is the City's largest at \$110.9 million and represents over 30% of the total general fund. Over the last four years, the City has made use of federally funded crime prevention initiatives to increase the number of

commissioned officers by 173, up to the present total of 1,723. Though federal funds are no longer available for most of the new officers, the City has made a commitment to retain these individuals with local funds. The FY1999 proposed budget also contains sufficient funding to allow for a two tiered salary increase structure for commissioned officers, as well as anticipated higher costs for health insurance.

Neighborhood Stabilization efforts will be stepped up in FY1999 with the implementation of an expanded "District Debris Removal Program". The program initiated in FY1998, attempts to prevent further neighborhood deterioration by providing clean-up crews to maintain vacant properties. To build on its initial success, additional work crews are funded in the operations budget and a large investment in equipment is included in the Capital Improvements Fund to further support this effort.

## SUMMARY AND OVERVIEW

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To provide assistance and guidance to the various individual city departments and agencies that make use of grant funds, the FY1999 budget proposes adding a new Grants Section. This new section will be a part of the Budget Division under the Board of Estimate and Apportionment and will seek opportunities to supplement local tax dollars with outside funds. The Grants Section will be responsible for drafting proposals and coordination and follow-up with other city departments to ensure that the City is in a position to take advantage of available non-local funds in a timely manner.

To address the increasing backlog in departmental service requests for computer and network related problems, the staff of Information Systems Section of the Budget Division will increase by seven. In addition, the proposed budget contains funds and authorization to contract for computer and network related services when necessary. To

supplement this effort, an additional \$1.3 million is included as a capital budget item for computer hardware replacements and system upgrades.

In the Department of Health and Hospitals, increased emphasis will be placed on the treatment of Communicable Diseases and on enhancing the Departments ability to track carriers of infectious diseases through cooperative efforts with other jurisdictions. In previous years, the State of Missouri has provided funds through its General Relief Program to the City for the care of indigent and uninsured individuals. This arrangement is currently being phased out and the State will contract directly with other providers for this service. Consequently, the FY1999 budget does not anticipate receiving or appropriating General Relief funds.

The FY1999 budget continues the City's commitment to make general fund contributions for public improvements.

## SUMMARY AND OVERVIEW

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A total of \$7.6 million will be transferred to the Capital Fund to offset the cost of debt service and major road and bridge repairs. An additional \$1.9 million is proposed to maintain the fixed assets at the Cervantes Convention Center. For the first time the general fund will subsidize the operations of the St. Louis Development Corporation (SLDC) in the amount of \$0.5 million.

Fixed increases accommodated in the FY1999 budget include a 3% cost-of-living pay increase for all employees other than commissioned police officers and firefighters. The cost-of-living pay increase included in the budget for commissioned police officers and firefighters is either 2% or 4%, depending on the employee's length of service. Other fixed increases include a 6.9% increase in the cost of providing health benefits, a 3% increase in Workers Compensation costs, and a 6% rise in the cost of property insurance. A scheduled debt service increase for the Convention Center project is expected to

increase debt service costs by approximately \$0.6 million.

Partially offsetting the increases noted earlier are some reductions from the amounts appropriated in the current year. Included in this category is completion of the Eads Bridge resurfacing, resulting in an annual reduction of \$250,000, and the refinancing of the Kiel Center debt with an annual reduction of \$110,000. Actuarial gains in the Fire Retirement System will allow the City to reduce its contribution by \$2.3 million in FY1999.

## SUMMARY AND OVERVIEW

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Major changes in the FY99 General Fund Budget include:

- An increase in lease debt obligations associated with the Convention Center and the Justice Center totaling \$1.9 million..
- An increase of approximately \$4.4 million in pay increases for police and fire employees and \$4.4 million for all other city employees.
- Reduction of \$2.3 million in Retirement System contributions.
- Establishment of section to solicit and coordinate grant funds at a cost of \$0.1 million
- Increased staffing and equipment for computer services at a cost of \$0.5 million.
- Increased staffing to supplement weed control and district debris removal programs at a cost of \$0.5 million.
- Funding for an electronic billing system to be used by EMS at a cost of \$0.1 million.
- Funding for primary and general elections at a cost of \$1.1 million.
- Establishment of landlord-tenant court under the auspices of the Circuit Court.
- Subsidy of \$0.5 million to the City's Economic Development Agency.

## SUMMARY AND OVERVIEW

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### GENERAL FUND REVENUES

The general operating budget for FY1999 is supported by revenues of \$360.7 million. General Fund revenues are provided by a variety of sources, including employment-based taxes, property taxes, gross receipts taxes on utilities and retail sales, intergovernmental revenues received from the State of Missouri, and various business license fees and departmental receipts.

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 FY1999, this group will comprise 42% of all general fund revenues and is forecast to grow at a rate of 2.5% over the FY1997 fiscal amount. Of this group, the earnings tax is the most important and is expected to generate over \$113 million. The estimate is based on the expectation of a growth rate of

approximately 3% on the individual earnings tax portion, which is consistent with the historical pattern. Revenue from the graduated business license fee is forecast to remain at the \$7.5 million level of recent years, an indication that the number of businesses and employees in the City has remained relatively constant.

Retail sales taxes are forecast to generate nearly \$48 million, which are about 2% higher than revised estimates for the current year. The sales tax estimate is based on the latest quarterly collections information which indicates that taxable retail sales in the City have increased at a slower rate than was originally anticipated. Franchise taxes, a category which includes the utilities' gross receipts tax along with the gross receipts tax on the revenues from the City owned Airport and Water Division, is expected to generate over \$51 million, or 2.4% more than the forecasted amount for the current year. While there are no rate increases anticipated in the estimate,

## SUMMARY AND OVERVIEW

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continued growth in telephone gross receipts, an expected return to more seasonal weather, along with an increase in the revenues generated by the Airport will provide the bulk of the forecasted increase.

Property tax revenues are forecast to increase by 2.8%, to \$36.7 million. Growth in property tax revenues is provided mainly by continuing increases in the personal property portion. Real Estate tax revenue is forecasted to grow only modestly in FY1999. Revenues from sources associated with the hospitality and

entertainment industry are also expected to increase from the FY1998 budget amount. As a group, these sources which include the amusement, restaurant, parking, and hotel taxes are forecast to provide approximately \$16.5 million.

Revenues channeled through the state are expected to decrease slightly to \$21.7 million. Decreases in reimbursements for health care and in the financial institution tax are being offset by increases in the prisoner housing reimbursement and motor vehicle sales tax categories. The chart below shows the allocation of the supporting the general fund budget for FY1999.

## SUMMARY AND OVERVIEW

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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 FY1999 revenue estimate projects growth rates of 2.5% for earnings tax and 2.6% for payroll tax, both of which are consistent with long term trends. Earnings and payroll taxes are projected to provide \$113.4 and \$29.4 million, respectively. Together, these account for nearly 40% of the City's general fund revenues.

### **Tourism and Amusements Tax**

Convention and tourism based revenues such as restaurant and hotel taxes are projected to increase to \$10.25 million, up from the current year's level

of \$9.0 million. Actual growth in hotel tax receipts is expected to be about 4%. Previously collected revenues, which had been accumulating in a special fund, are being transferred in FY1999, accounting for about \$1.0 million of the increase 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 FY1999, amusement taxes are projected to be \$4.2 million, up from \$3.9 million in FY1998, an increase of 7.6%. This is exclusive of taxes on professional football games that are allocated to a special fund to retire debt on a football practice facility.

### **Sales Tax**

Local sales tax revenues will account for approximately \$47.6 million, based on the local tax rate of 1.375%. Sales tax revenue growth has slowed somewhat and will not achieve the original expected

## SUMMARY AND OVERVIEW

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increase of 2.5%. Accordingly, the FY1999 estimate calls for growth of about 2% over revised estimates for FY1998.

### **Property Tax**

Property tax revenues, which will account for nearly 10% of the general fund in FY1999, continue to provide a smaller piece of the general revenue pie. The forecast for next year recognizes the growth in the personal property area and the statutory prohibition against the realization of a revenue windfall resulting from reassessment of real property. Revenue from real property is allowed to increase limited to an accepted inflation index, plus, any increases resulting from new construction. FY1999 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.

### **Franchise Tax**

Revenues from franchise taxes are forecast to increase by over 2% to \$51.7 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 FY1999 is due to continued growth in telephone gross receipts tax resulting from the expiration of a revenue sharing agreement between Southwestern Bell and the Public Service Commission, which limited the utility company's return on investment, and to the expansion in the number of gates at Lambert Airport, which should generate additional revenue.

## SUMMARY AND OVERVIEW

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### **Licenses and Permits**

License and permit revenue is expected to increase from the current year's level, by approximately 1% with increases in gross receipts based licenses such as the ones levied on parking garages and sporting events. Some of the increase will be offset by an expected decrease in revenue from the cigarette license tax and building and occupancy permits. Others, such as liquor, graduated business, and automobile licenses are forecast to remain at the current year's level.

is projected to continue in FY1999. 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 \$400,000 per year.

### **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

**CITY OF ST. LOUIS  
GENERAL FUND REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual Receipts FY 1996-97</b>	<b>Revised Estimate FY 1997-98</b>	<b>Projected Receipts FY 1998-99</b>	<b>Percent Change</b>
Earnings Tax	\$108,662,507	\$110,710,000	\$113,425,000	2.5%
Sales Taxes	46,275,024	46,750,000	47,580,000	1.8%
Property Tax	36,368,857	35,674,000	36,680,000	2.8%
Payroll Expense Tax	28,098,388	28,698,000	29,439,000	2.6%
Franchise / Utility Taxes:				
Electricity	23,008,916	23,000,000	23,000,000	0.0%
Natural Gas	8,216,918	7,400,000	8,200,000	10.8%
Telephone	10,020,544	10,600,000	11,000,000	3.8%
Water	3,831,956	3,700,000	3,700,000	0.0%
Airport	3,916,972	5,000,000	5,000,000	0.0%
All Other franchise fees	788,915	774,000	774,000	0.0%
Subtotal	49,784,221	50,474,000	51,674,000	2.4%
Intergovernmental Revenues:				
Gasoline Tax	9,656,915	9,800,000	9,700,000	-1.0%
Health Care Payments	3,374,799	3,645,000	3,124,000	-14.3%
Prisoner Housing Reimbursement	0	5,000,000	5,200,000	4.0%
Motor Vehicle Sales Tax	3,467,982	3,500,000	3,600,000	2.9%
Intangible Tax	89,046	75,000	100,000	33.3%
Subtotal	16,588,742	22,020,000	21,724,000	-1.3%
Licenses:				
Graduated Business License	7,280,780	7,500,000	7,500,000	0.0%
Cigarette Occupational License	2,516,782	2,237,000	2,152,000	-3.8%
Sports and Amusement	3,573,753	3,876,000	4,170,000	7.6%
Automobile	1,575,825	1,575,000	1,575,000	0.0%
Parking Garages and Lots	1,914,144	2,000,000	2,100,000	5.0%
Liquor	398,300	417,550	414,900	-0.6%
Other Licenses	1,167,520	493,050	398,400	-19.2%
Subtotal	18,427,104	18,098,600	18,310,300	1.2%
Departmental Revenues:				

**CITY OF ST. LOUIS  
GENERAL FUND REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual Receipts FY 1996-97</b>	<b>Revised Estimate FY 1997-98</b>	<b>Projected Receipts FY 1998-99</b>	<b>Percent Change</b>
Fines and Forfeits	6,796,790	7,281,000	7,322,000	0.6%
Building and Occupancy Permits	2,263,846	2,646,000	2,522,000	-4.7%
Departmental User Fees	19,326,527	18,832,000	19,393,700	3.0%
Subtotal	28,387,163	28,759,000	29,237,700	1.7%
 Convention and Tourism Taxes:				
Hotel / Motel Gross Receipts <sup>1</sup>	3,620,000	4,000,000	5,250,000	31.3%
Restaurant Gross Receipts - 1 cent <sup>1</sup>	3,150,000	3,250,000	3,300,000	1.5%
Restaurant Gross Receipts - 1/2 cent	1,739,054	1,800,000	1,700,000	-5.6%
Subtotal	8,509,054	9,050,000	10,250,000	13.3%
 All other revenues and transfers	 3,138,079	 2,075,000	 2,375,000	 14.5%
Subtotal	3,138,079	2,075,000	2,375,000	14.5%
 <b>TOTAL GENERAL FUND REVENUES</b>	 <b>\$344,239,139</b>	 <b>\$352,308,600</b>	 <b>\$360,695,000</b>	 <b>2.4%</b>

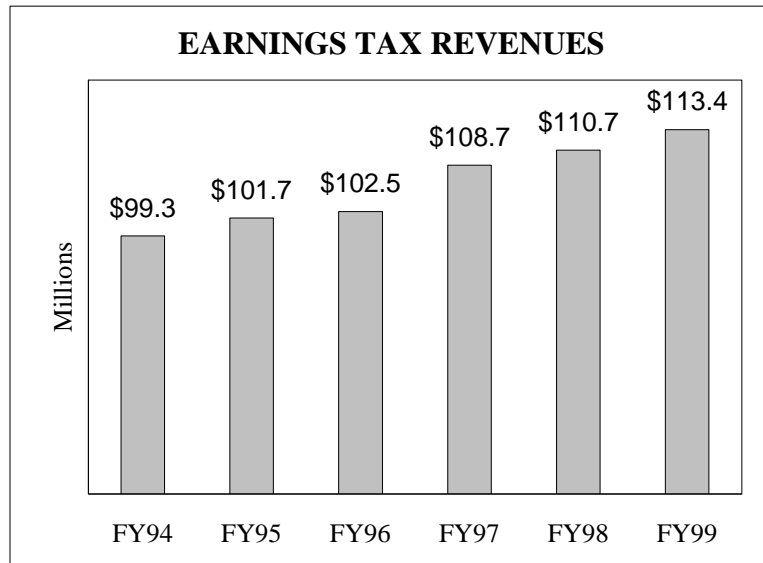
<sup>1</sup> Transfers from convention and sports facility trust fund and convention and tourism fund respectively

## EARNINGS TAX

### Definition

A one percent tax levied against employee gross compensation and business net profits.

The tax applies to all residents of the City of St. Louis regardless of where they work. It also applies to the earnings of non-residents who work within the city limits.



### Discussion

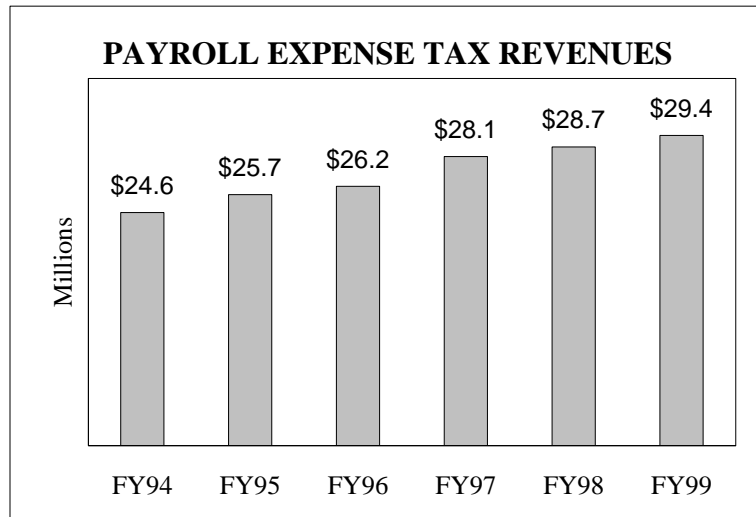
The city earnings tax is the most significant single source of general fund revenues, comprising nearly one-third of the total revenues. Receipts from individual taxpayers comprise about 85 percent of total earnings tax revenues, with businesses paying the remaining 15 percent. The Collector of Revenue is authorized by State law to retain a percentage of collections to pay for office operations. Funds not used for operations, including interest, are returned to the city.

The compound annual growth rate for earnings tax collections over the past five years is 2.5%. Revenues are projected to increase by 2.5% again in fiscal 1999, consistent with the historical average.

# PAYROLL EXPENSE TAX

## Definition

A tax of one-half of one percent of total compensation paid by a business to its employees for work performed in the City of St. Louis. Not-for-profit charitable or civic organizations are exempt from the payroll expense tax.



## Discussion

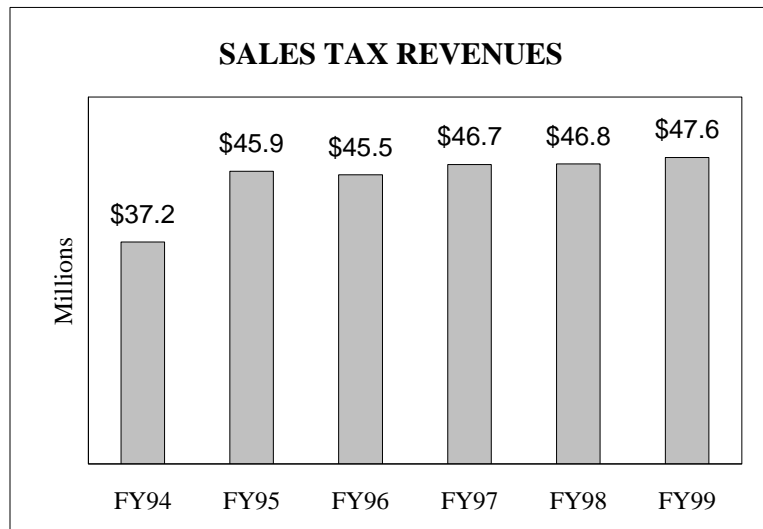
The payroll expense tax was implemented in 1988 as part of an overall tax reform package, the aim of which was to redesign the city revenue base to be more attuned to changes in the economy. Payroll expense tax receipts follow trends in earnings tax collections, but grows at a different rate, due to a somewhat different base and exemptions noted above. Revenue from this source is expected to increase by 2.6% in fiscal 1999.

## SALES TAX

### Definition

A one and three-eighths percent tax levied on retail sales in the City of St. Louis. Sales tax is not levied on certain items, including motor fuels, prescription drugs, food purchased with food stamps, all sales by or to not for profit organizations and residential utility charges.

### Discussion

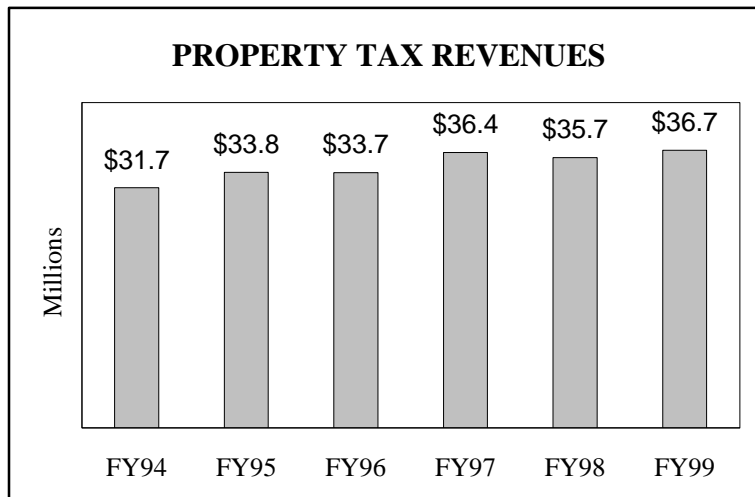


The chart above shows the collections history of the city's 1.375% local sales tax. Authorization for the 0.375% portion of the tax expired in 1990. This portion of the was approved by voters in 1993 and is fully reflected in the FY95 revenues. Revenue from sales tax in FY99 is forecast to increase by slightly less than 2% over revised FY98 estimates.

## REAL AND PERSONAL PROPERTY TAXES

### Definition

A tax levied on the assessed value of all real and personal property. The current tax rate is \$7.222 per \$100 assessed value



### Discussion

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

State	\$ 0.030
Schools	\$ 4.300
Junior College	\$ 0.240
Library	\$ 0.560
Zoo, Museum, Garden District	\$ 0.232
Sewer District	\$ 0.090
Sheltered Workshop	\$ 0.150
Community Mental Health	\$ 0.090
City - General Purposes	\$ 1.420
City - Public Debt	\$ 0.110
<b>TOTAL</b>	<u>\$ 7.222</u>

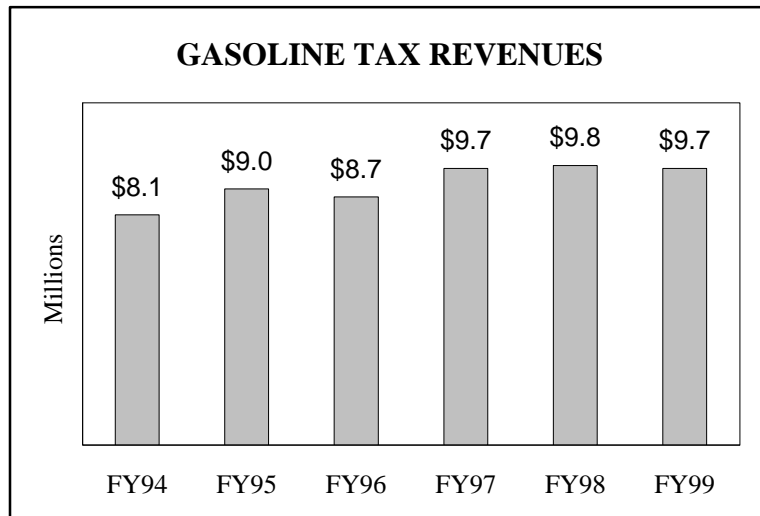
Taxes are levied on all real and personal property owned as of January 1 in each year. Tax bills are normally mailed in November and payment is due by December 31, after which taxes become delinquent. Assessment ratios are 19% for residential property, 32% for commercial property, and 12% for agricultural real estate. Personal property is assessed at 33.3% of the appraised market value.

In addition to the rate shown, commercial real property is taxed at a rate of \$1.64 per \$100 assessed valuation, as a replacement for the Manufacturer's Inventory tax.

## GASOLINE TAX

### Definition

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



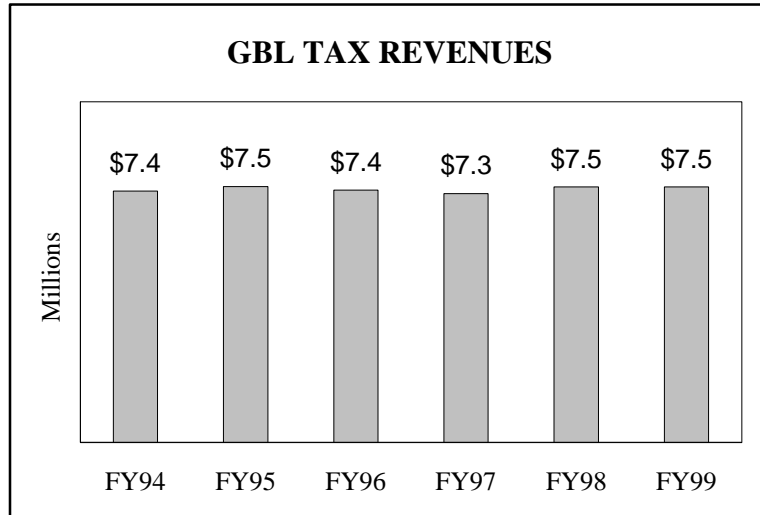
### Discussion

The gasoline tax rate is \$0.17 per gallon. In 1992, the tax rate increased by \$0.02 per gallon. Additional \$0.02 per gallon increases followed in 1994 and 1996. Each of these changes added about million dollars to the City's share of gasoline tax revenues. In addition, the City receives a share based on its status as both a city and a county. The new "county" share is worth approximately \$400,000 in the current fiscal year. A portion of the additional revenues, currently \$1,750,000, is dedicated to the Capital Improvements Fund for street and bridge projects.

# GRADUATED BUSINESS LICENSE TAX

## Definition

A flat rate tax on businesses based on the number of persons a business employs within the city limits. The tax rate ranges from \$150 for employers with two or fewer employees to \$25,000 for employers with more than five hundred employees.



## Discussion

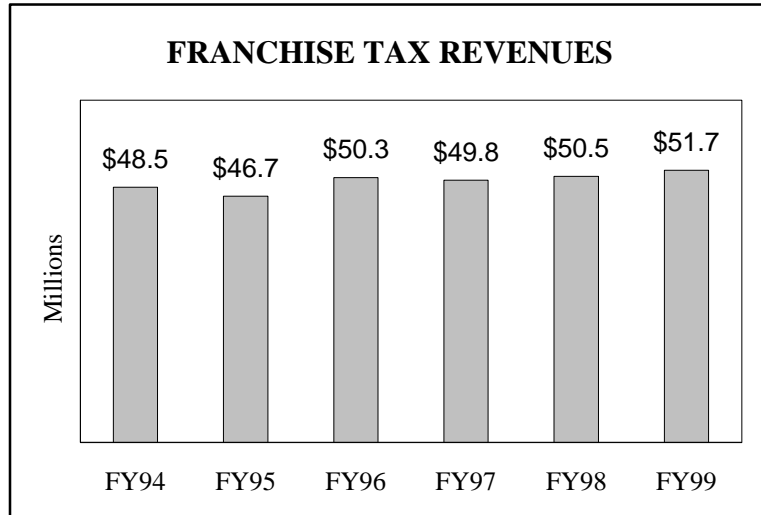
The graduated business license tax and provides a consistent source of revenue of about \$7.5 million per year. As indicated by the chart above, the level of employment activity has remained relatively constant. Taxes are based on the following schedule.

Number of Employees	GBL Tax
501 or more	\$25,000
401-500	\$23,000
301-400	\$20,000
201-300	\$17,000
151-200	\$13,500
101-150	\$10,000
76-100	\$7,500
51-75	\$5,000
41-50	\$3,000
31-40	\$2,000
21-30	\$1,500
11-20	\$1,000
6-10	\$500
3-5	\$250
2 or fewer	\$150

# FRANCHISE TAX

## Definition

A tax on the gross receipts of utility companies operating within the city, including sales of electricity, natural gas, telephone services, water and steam, and on the gross receipts of the Airport.



## Discussion

The tax rate for companies supplying natural gas and electricity is 10% of the gross receipts from their commercial customers and 4% of the gross receipts from residential customers. Companies supplying telephone service, steam and water are taxed at 10% of their gross receipts from all customers. The taxes are passed on to the ultimate consumers.

The tax on natural gas and electricity account for about two-thirds of all franchise tax revenue. Rate changes for supplying natural gas, electricity, and telephone service are subject to approval by the Missouri Public Service Commission.

**CITY OF ST. LOUIS  
SPECIAL AND OTHER FUNDS REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual Receipts FY 1996-97</b>	<b>Revised Estimate FY 1997-98</b>	<b>Projected Receipts FY 1998-99</b>	<b>Percent Change</b>
<b>SPECIAL FUND REVENUES:</b>				
Child Support Unit - State & misc. revenues	\$2,129,003	\$1,750,000	\$1,750,000	0.0%
Building Demolition Fund - permit fees	561,932	520,000	525,000	1.0%
Assessment Fund				
Real Estate Tax	984,405	940,000	940,000	0.0%
State Reimbursements	1,168,989	839,000	839,000	0.0%
Other	128,997	118,600	118,600	0.0%
General Fund Subsidy	700,000	1,150,000	1,150,000	0.0%
	2,982,391	3,047,600	3,047,600	0.0%
Battered Persons Shelter Fund	134,907	135,000	135,000	0.0%
Communications Fund				
Cable Television Gross Receipts Tax	1,264,740	1,225,000	1,225,000	0.0%
Lateral Sewer Fund - tax receipts and interest	2,878,417	2,975,000	2,975,000	0.0%
Miscellaneous Special 1119 Funds				
Columbia Bottoms	269,975	200,000	200,000	0.0%
Port Authority (including gaming lease)	2,776,422	2,140,000	2,191,000	2.4%
Other Special Revenue Funds	1,055,684	942,743	988,443	4.8%
	4,102,081	3,282,743	3,379,443	2.9%
Riverfront Gaming Revenues (excl. Port lease)	4,540,964	4,200,000	4,200,000	0.0%
Government Grant Fund Revenues				
St. Louis Agency on Training & Employment	4,297,549	7,747,000	6,450,000	-16.7%
Police Department Grants	2,652,163	5,465,000	4,932,000	-9.8%
Other Government Grants	25,498,983	25,638,000	29,850,070	16.4%
	32,448,695	38,850,000	41,232,070	6.1%

**CITY OF ST. LOUIS**  
**SPECIAL AND OTHER FUNDS REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual Receipts FY 1996-97</b>	<b>Revised Estimate FY 1997-98</b>	<b>Projected Receipts FY 1998-99</b>	<b>Percent Change</b>
<b>Capital Improvements Funds</b>				
Capital Improvements Sales Tax Fund	17,911,653	17,500,000	17,500,000	0.0%
Gasoline Tax	1,750,000	1,750,000	1,750,000	0.0%
Previous Year Surplus	5,249,790	4,906,000	5,000,000	1.9%
Transfers from General and Other Funds	10,654,356	13,823,000	17,615,000	27.4%
	<u>35,565,799</u>	<u>37,979,000</u>	<u>41,865,000</u>	<u>10.2%</u>
<b>Debt Service Fund</b>				
Property Taxes	3,872,804	3,884,759	1,028,364	-73.5%
<b>Tax Increment Financing</b>				
	2,236,576	2,675,000	2,695,000	0.7%
<b>Mail Services Internal Service Fund</b>				
	525,301	1,027,000	1,027,000	0.0%
<b>Convention and Tourism Fund</b>				
Restaurant Gross Receipts Tax (1%)	3,406,713	3,456,000	3,566,000	3.2%
<b>Employee Benefits Fund</b>				
	17,856,042	20,411,000	19,600,000	-4.0%
<b>Convention and Sports Facility Fund</b>				
Hotel and Motel Sales Tax (3.5%)	4,094,365	4,000,000	4,114,000	2.9%
<b>Rams Practice Facility Fund</b>				
NFL Gross Receipts Tax	981,086	993,280	994,000	0.1%
<b>Subtotal Special Fund Revenues</b>	<u><b>119,581,816</b></u>	<u><b>130,411,382</b></u>	<u><b>133,358,477</b></u>	<u><b>2.3%</b></u>
<b>ENTERPRISE FUND REVENUES:</b>				
<b>Water Division</b>				
Net Sales of Water	35,082,893	35,200,000	35,000,000	-0.6%
Gross Receipts Tax	4,136,143	4,000,000	4,000,000	0.0%
All Other Income	4,928,495	4,600,000	4,600,000	0.0%
	<u>44,147,531</u>	<u>43,800,000</u>	<u>43,600,000</u>	<u>-0.5%</u>

**CITY OF ST. LOUIS**  
**SPECIAL AND OTHER FUNDS REVENUE ESTIMATE**

<b>Revenue Category</b>	<b>Actual Receipts FY 1996-97</b>	<b>Revised Estimate FY 1997-98</b>	<b>Projected Receipts FY 1998-99</b>	<b>Percent Change</b>
Lambert St. Louis Airport				
Landing Fees	30,305,346	33,467,000	35,240,751	5.3%
Rents	25,916,686	28,082,000	30,197,033	7.5%
Concessions	18,752,000	19,106,000	18,795,583	-1.6%
Parking & Miscellaneous	11,114,000	13,303,000	9,857,496	-25.9%
All Other Income	10,071,000	11,944,000	14,412,098	20.7%
	<u>96,159,032</u>	<u>105,902,000</u>	<u>108,502,961</u>	<u>2.5%</u>
<b>Subtotal Enterprise Funds</b>	<b><u>140,306,563</u></b>	<b><u>149,702,000</u></b>	<b><u>152,102,961</u></b>	<b><u>1.6%</u></b>
<b>Total Special and Enterprise Revenues</b>	<b><u>\$259,888,379</u></b>	<b><u>\$280,113,382</u></b>	<b><u>\$285,461,438</u></b>	<b><u>1.9%</u></b>
 <b>Revenues Appropriated Separately:</b>				
Street Improvement Fund				
Motor Vehicle Sales Tax	789,909	853,000	853,000	0.0%
Franchise (Utility) Taxes	3,593,007	3,611,700	3,611,700	0.0%
	<u>4,382,916</u>	<u>4,464,700</u>	<u>4,464,700</u>	<u>0.0%</u>
Community Dev. Block Grants / Housing Grants	33,926,503	34,875,000	37,698,000	8.1%
Parking Division				
Parking Facilities Revenues	3,347,967	2,340,000	2,700,000	15.4%
Parking Meter Division and Violation Revenue	5,556,687	5,245,000	5,716,000	9.0%
	<u>8,904,654</u>	<u>7,585,000</u>	<u>8,416,000</u>	<u>11.0%</u>
Transportation Fund				
Transportation 1/2 Cent Sales Tax	17,164,076	17,500,000	17,500,000	0.0%
Metrolink 1/4 Cent Sales Tax	8,554,477	8,750,000	8,750,000	0.0%
	<u>25,718,553</u>	<u>26,250,000</u>	<u>26,250,000</u>	<u>0.0%</u>
<b>Total All Special and Other Fund Revenues</b>	<b><u>\$332,821,005</u></b>	<b><u>\$353,288,082</u></b>	<b><u>\$362,290,138</u></b>	<b><u>2.5%</u></b>

## AIRPORT AUTHORITY (Lambert-St. Louis International Airport)

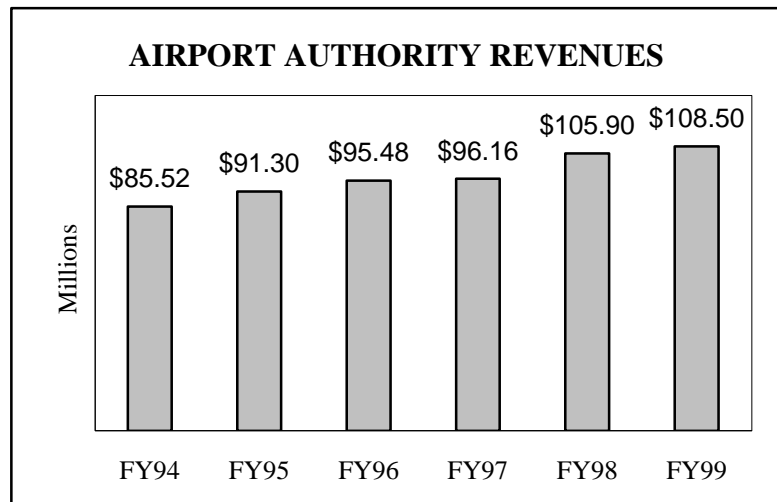
### Definition

Airport revenue comes from Signatory Airline Fees, Concession Revenues, Interest Income and other revenues.

### Discussion

Lambert - St. Louis International Airport receives just over half of its operating revenues from signatory airlines in the form of landing fees and terminal rents. Signatory airlines are those airlines serving the Airport who have signed use agreements and include: American, Continental, Delta, Northwest, USAir, Southwest, TWA, Trans States and United. The Airport also receives revenues from concessions that operate on Airport property. Concession fees include revenues from the following activities: food & beverage sales, giftshops, coin devices, ground transportation, public parking, car rentals, space rental, in-flight catering and other concession revenues. Other revenues include non-signatory airline fees, cargo, hangar, tenant improvement surcharges, employee lot, gain on sale of investments and other miscellaneous revenues.

Lambert - St. Louis International Airport has completed the expansion of its East Terminal with the addition of twelve (12) new gates. The increase in projected revenue for fiscal 1999 is mostly attributable to this expansion.



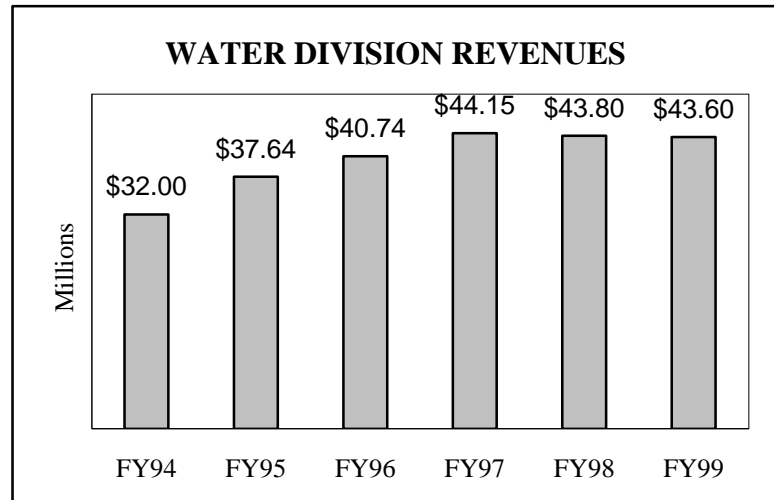
# WATER DIVISION

## Definition

The Water Division receives revenues from Net Sales of Water, Gross Receipts Tax and other miscellaneous income.

## Discussion

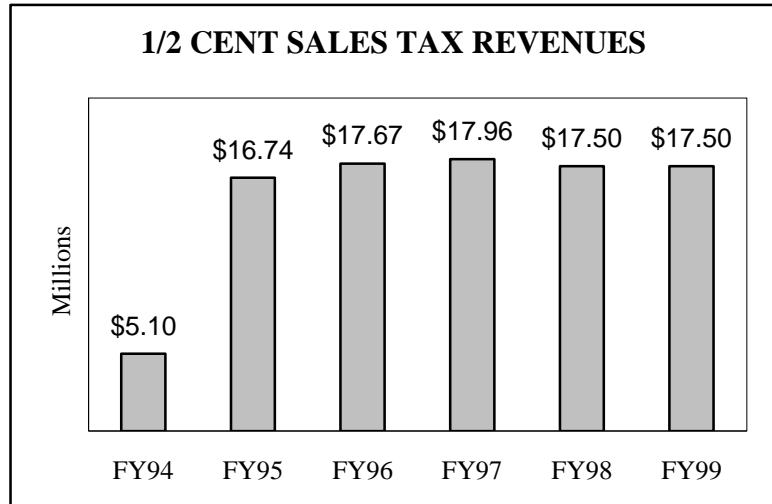
Revenues from net sales of Water include sales to flat-rate and metered customers and sales to other governmental jurisdictions. While the number of metered and unmetered customers has decreased slightly the sales to other governmental jurisdictions has more than compensated for the decrease. The Gross Receipts Tax is a 10% utility tax levied on all purchasers of water from the Water Division and payable to the City's General Fund. The other miscellaneous income is mostly revenue from services the Water Division performs, such as repairing damaged fire hydrants or tapping water lines for new buildings.



# 1/2 CENT CAPITAL SALES TAX

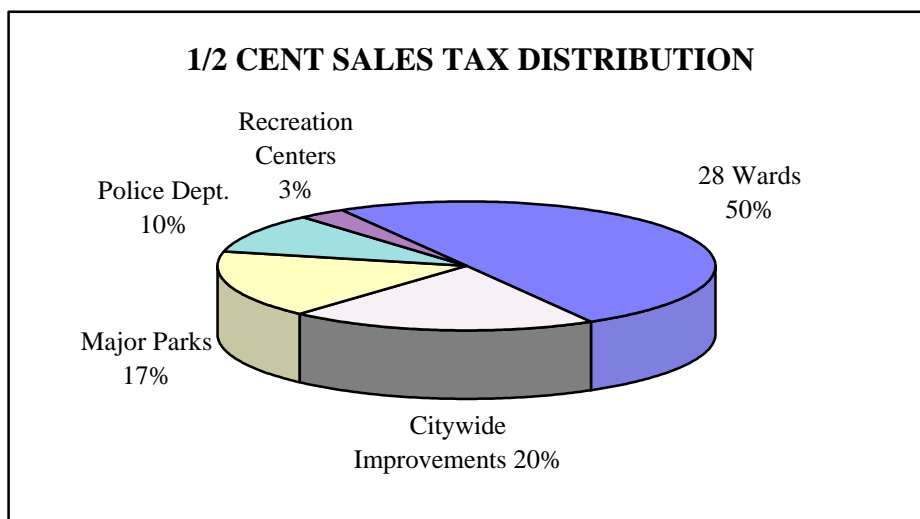
## Definition

A one half percent tax levied on retail sales in the City of St. Louis is dedicated to Capital expenditures. The sales tax is not levied on certain items, including motor fuels, prescription drugs, food purchased with food stamps, all sales by or to not for profit organizations and residential utility charges.



## Discussion

City voters approved the 1/2 cent sales tax for capital improvements in August, 1993. FY95 represented the first full year of collections of this new source of revenue. Projected revenue for FY99 is expected to grow at slightly less than 2% over revised FY98 estimate. The City ordinance authorizing the 1/2 cent sales tax included a formula for allocating the proceeds among various capital spending areas. This allocation is illustrated in the pie chart below:



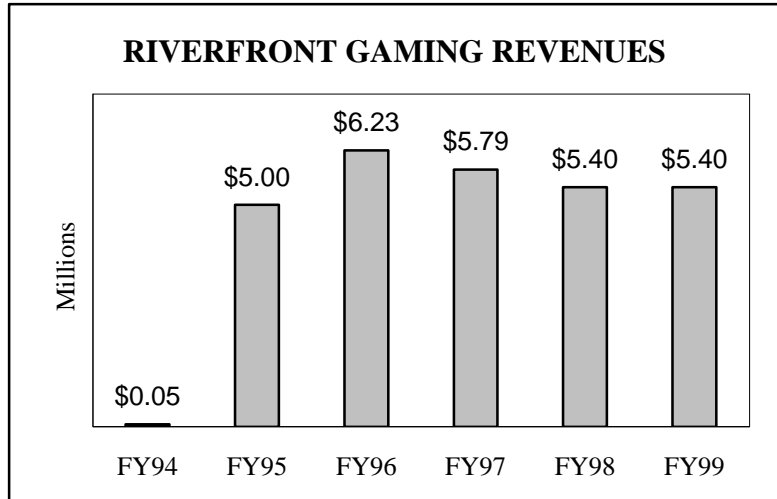
# RIVERFRONT GAMING

## Definition

Riverfront Gaming revenues come primarily from three sources:

1) the local share of the state gaming tax, 2) the local share of the state admissions tax, and 3) the lease agreement with the City Port Authority

## Discussion



Riverboat gaming on the St. Louis riverfront began in May, 1994 with the opening of President Casino's Admiral riverboat. The variety of games was somewhat limited until "games of chance" (e.g. slot machines) were permitted by law beginning in December, 1995. The State of Missouri imposes a 20% tax on the adjusted gross receipts (AGR) of riverboat gambling facilities as well as a \$2 head tax on the number of admissions. By state statute, the City receives a 10% share of the state tax or 2% of AGR. The City is also entitled to one-half the state admission fee or \$1 per admission. The City receives an additional 2% of AGR through a lease the between the riverboat operator and the City's Port Authority.

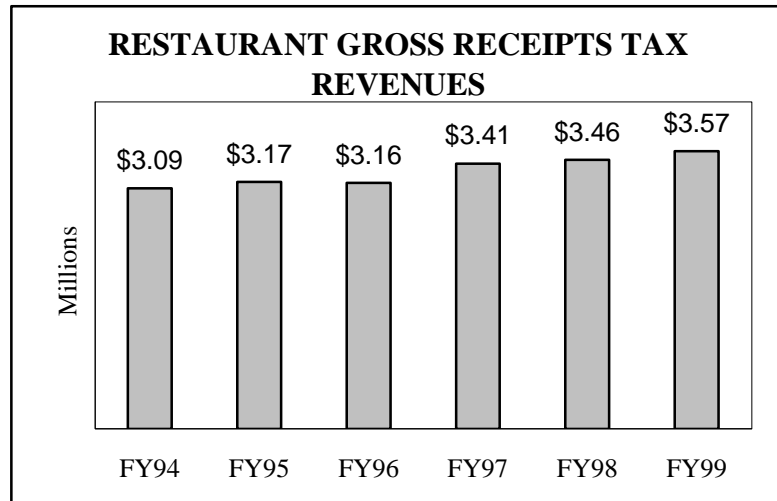
Two major factors affecting the City's receipts from riverboat gaming are the level of competition from other gaming facilities in the area and river stage levels that may periodically limit access to the riverboat. In FY98, a barge accident caused the temporary closure of the Admiral. With gaming activities anticipated to be suspended for a period of one month, the net loss in gaming is expected to be about \$450,000.

## RESTAURANT GROSS RECEIPTS TAX

### Definition

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

### Discussion



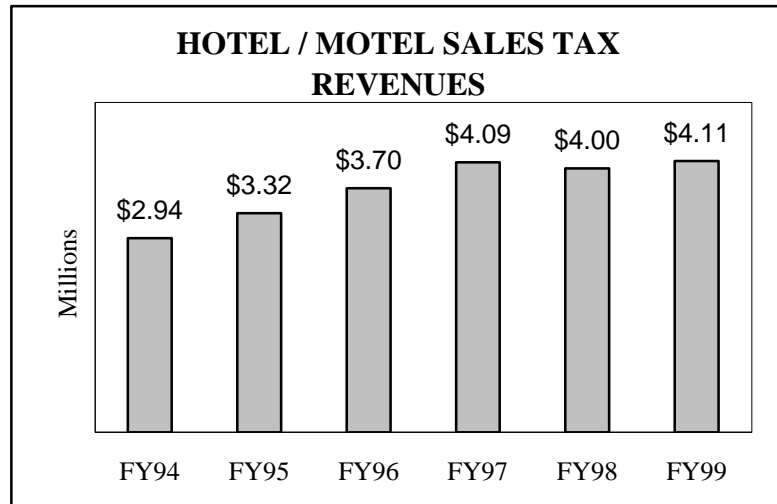
The 1% restaurant gross receipts tax serves as the source of revenue to the City's Convention and Tourism Fund. The fund was established to foster and promote the City's convention and tourism industry. Revenues from this source are used to offset debt service payments on the Cervantes Convention Center.

## HOTEL / MOTEL SALES TAX

### Definition

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

### Discussion



Beginning in FY94, the City's \$2.00 license fee per occupied hotel room was replaced by a 3.5% sales tax on hotel and motel receipts. The change in structure has allowed this source of revenue to grow with inflationary increases in the cost of a hotel room. Proceeds from this tax are deposited into a Convention and Sports facility trust fund and are used to offset debt payments on the City's convention center.