



RECORD OF PROCEEDING

PUBLIC HEARING OF THE CITY COUNCIL OF THE CITY OF CHESTERFIELD 690 CHESTERFIELD PARKWAY WEST

NOVEMBER 19, 2018

Mayor Bob Nation called the Public Hearing to order at 6:47 p.m. Councilmembers Flachsbart, McGuinness, Keathley, Mastorakos, Hurt, Moore, DeCampi and Ohley were in attendance, along with approximately ten visitors/members of the Press.

Section 3 of Ordinance No. 10 requires the City Administrator to prepare and submit a budget for City Council to consider/adopt, prior to January 1 of each year. Section 4 of Ordinance No. 10 requires that a Public Hearing be held, prior to the adoption of the budget. This budget presentation satisfies all requirements of Ordinance No. 10.

Mayor Nation recognized Finance Director Chris DesPlanques who noted that the budget has been created around the City's Mission Statement. Mr. DesPlanques continued by summarizing the budget process. The initial budget was submitted to Council and three budget workshops followed on September 17, October 8, and October 22. Mr. DesPlanques stated that the proposed FY2019 budget provides for \$894,216 net revenues over expenditures. It was also noted that as of December 31, 2018, a total of \$4,119,000 has been set aside in debt service accounts for future debt payments.

Capital Improvement Sales Tax Fund

The Capital Improvement Sales Tax Fund is self-sufficient since it is funded from the ½ cent sales tax, approved in 1996, as Propositions "R" and "S." Mr. DesPlanques stated that the City only receives 85% of the total money it gets from the ½ cent sales tax, due to a statutory requirement that the City "share" 15% of the total with the St. Louis County sales tax pool. In conjunction with a \$30 million bond issue approved by the voters in 1996 for improvements to public rights-of-way, voters also approved a ½ cent sales tax for capital improvements. Mr. DesPlanques reported that revenues in the Capital Improvement Sales Tax Fund are budgeted at \$5.97 million in FY2019 compared to

\$5.83 million in FY2018. Total budgeted revenues and expenditures are down from FY2018 due to timing and completion of projects in 2018.

Mr. DesPlanques reported that revenues in the Capital Improvement Sales Tax Fund are projected to total approximately \$5,973,114. Proposed expenditures for FY2019 are \$3,942,434 for capital projects and improvements. Capital Improvement Sales Tax Fund – Fund Reserves are expected to end the year at \$163,237 during FY2019.

Parks Sales Tax Fund

Mr. DesPlanques stated that the passage of Proposition “P”, in November 2004, resulted in the creation of a Parks Sales Tax Fund, which funds all parks and recreation activities. The Parks Fund is supported by a ½ cent sales tax and, unlike the General Fund Sales Tax and the Capital Improvement Sales Tax, the City receives 100% of the revenue from this tax. The Parks Sales Tax Fund pays for things such as the Athletic Complex, Central Park, Family Aquatic Center and Eberwein Dog Park. It also pays for a number of other things such as right-of-way landscaping maintenance as well as maintenance of various pocket parks and repair or replacement of City limit signs as needed.

Mr. DesPlanques reported that revenues in the Parks Sales Tax Fund are budgeted at \$7.03 million in FY2019 compared to \$6.86 million in FY2018. Total proposed expenditures for FY2019 are \$5,872,083 compared to \$5,857,860 projected in FY2018.

Total revenue (including sales tax revenue) in the Parks Sales Tax Fund is projected to generate approximately \$9,001,655 during FY2019. Expenditures and transfers out are projected to total \$5,872,083 and \$3,009,914, respectively. The Parks Sales Tax Fund – Fund Reserves are expected to end the year at \$1,650,421 during FY2019.

Public Safety Fund

Mr. DesPlanques explained that the Public Safety Fund is a new budget created in FY2018, and the FY2019 budget will accomplish the same goals. The Public Safety Fund acts as a net zero fund balance budget where the General Fund funds nearly \$7.5 million of the public safety operations.

General Fund

Mr. DesPlanques reported that General Fund revenues are projected to total \$20,475,966 in FY2019. This is a decrease of \$233,959 from the FY2018 budget, primarily due to reduced revenues from utility taxes (Ameren rate decrease) and Intergovernmental (road and bridge). The FY2019 proposed sales tax revenues of \$7,177,000 are 1.61% over FY2018 budget.

The two major sources of General Fund revenues are sales taxes and utility taxes, which represent \$7,177,000 and \$6,582,000 respectively. Intergovernmental revenues, including motor fuel taxes, motor vehicle sales taxes, cigarette taxes, road and bridge taxes, and other grant sources represent \$3,891,000. The remaining revenues consist of

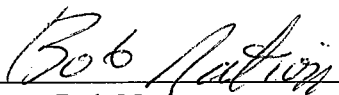
licenses and permits (\$1,586,470), charges for services (\$81,250), court receipts (\$692,556) and other miscellaneous sources (\$465,690).

Mr. DesPlanques reported that General Fund expenditures and transfers are projected to total \$10,064,606 and \$9,180,551, respectively for FY2019, down a combined total of \$3.5 million primarily due to decreased transfers.

Mr. DesPlanques stated that the City maintains General Fund – Fund Reserves of over 40% of the City's operating budget. The General Fund – Fund Reserves balance is projected to total \$8,458,253 at the end of FY2019 and, when factoring in the amount required to be set-aside, due to the City's "40%" policy, leaves \$2,285,400 available over and above the 40% fund reserve policy to fund additional projects, as reviewed/approved by City Council, during FY2019 and beyond.

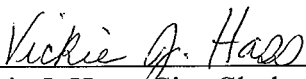
ADJOURNMENT

There being no public discussion or comment, Mayor Nation adjourned the meeting at 7:00 p.m.



Mayor Bob Nation

ATTEST:



Vickie J. Hass, City Clerk