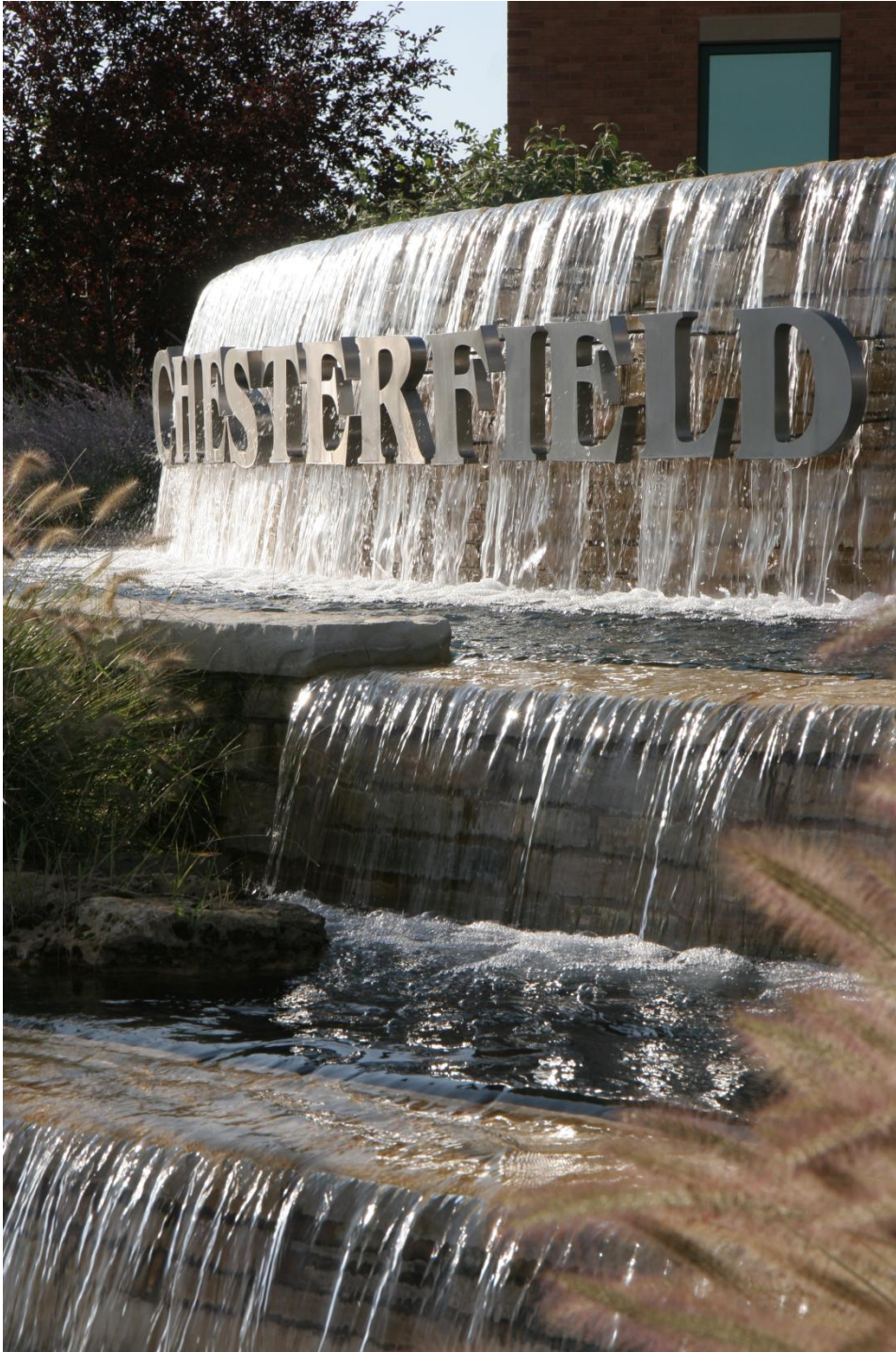




City Council Finance Discussion

Presented by
Craig D. White
Mike Geisel
City of Chesterfield



Accrual basis

Expenses

(gross not net)

Fund Accounting 17 Funds

General Fund

Special Revenue

- Parks Sales Tax Fund
- Police Forfeiture Fund
- Sewer Lateral Fund
- Chesterfield Valley TIF Fund

Capital Projects

- Capital Improvement Sales Tax Fund
- Parks Construction Fund

Debt Service

- Parks GO Bonds Debt Service
- R&S Bonds Debt Service
- City Hall Bonds Debt Service
- 2013 Parks Bonds Debt Service
- 2014 Parks Bonds Debt Service
- 2016 Parks Bonds Debt Service

Agency Funds

- Court Bond Fund
- Explorer's Fund
- Highway 40 Trust Fund
- Miscellaneous Escrow Fund



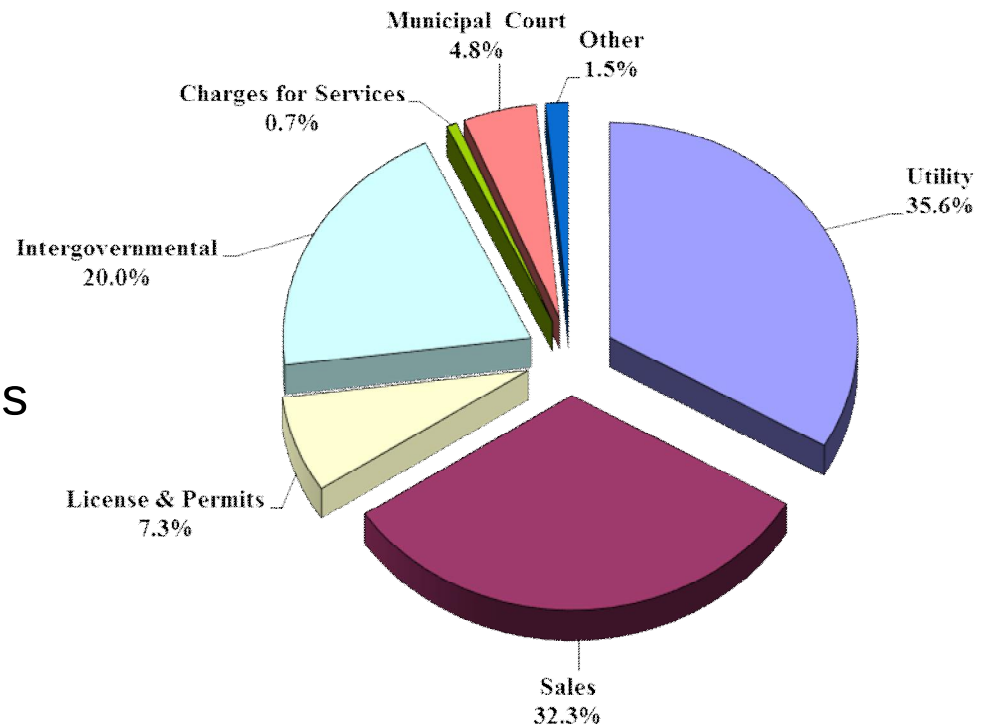
General Fund

- Police
- Fleet Maintenance
- Streets and Sewers
- Engineering
- Facilities
- Planning & Development Services
- Courts
- Information Technology
- Administration

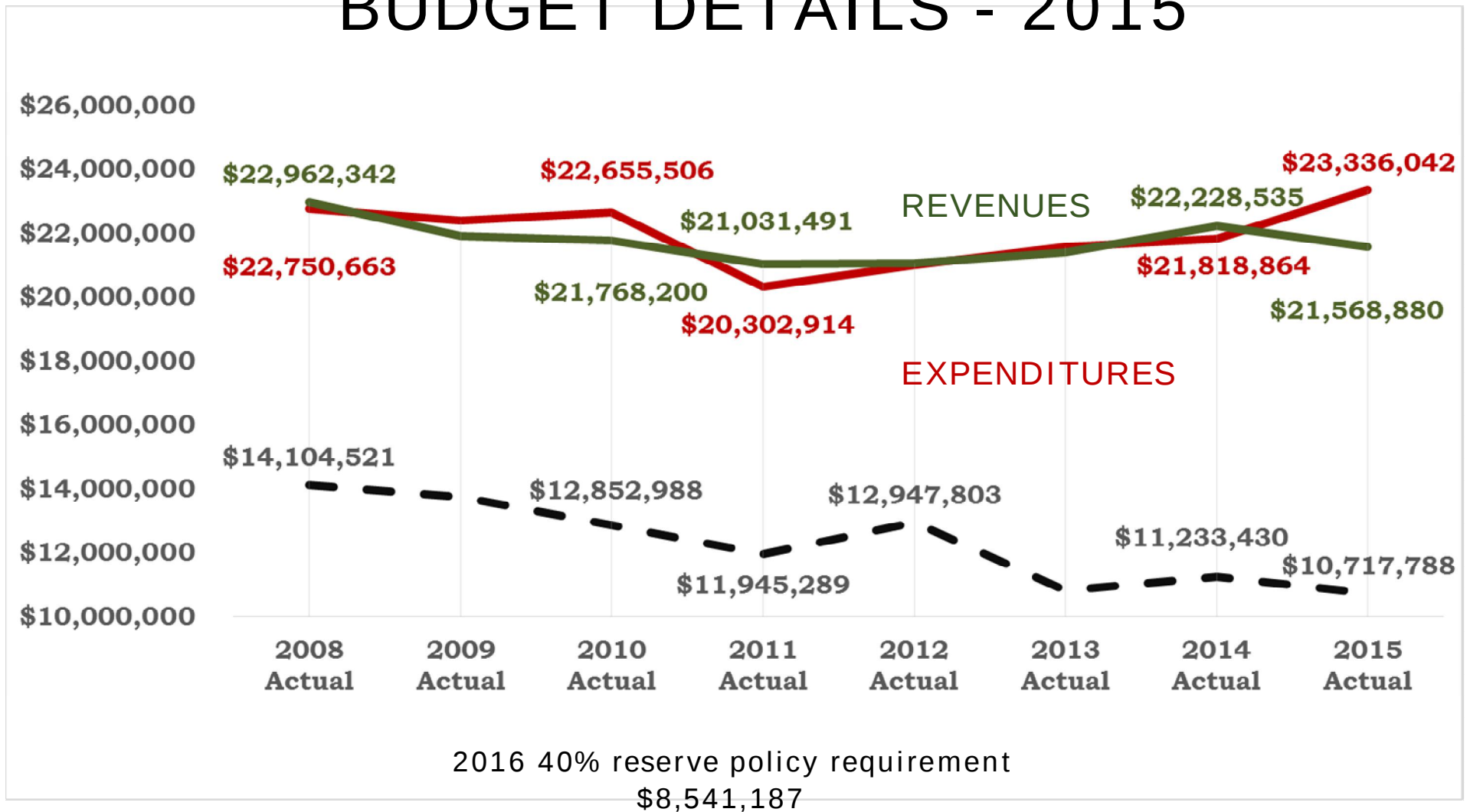


General Fund Revenues

- \$21.9 million annually in revenue
- Over 1/3 utility tax
- 1/3 pooled sales tax
- 20% intergovernmental monies (motor fuel tax, road/bridge taxes etc.) \$3.65 million
- 15% licenses, interest and courts
- No property tax



General Fund BUDGET DETAILS - 2015



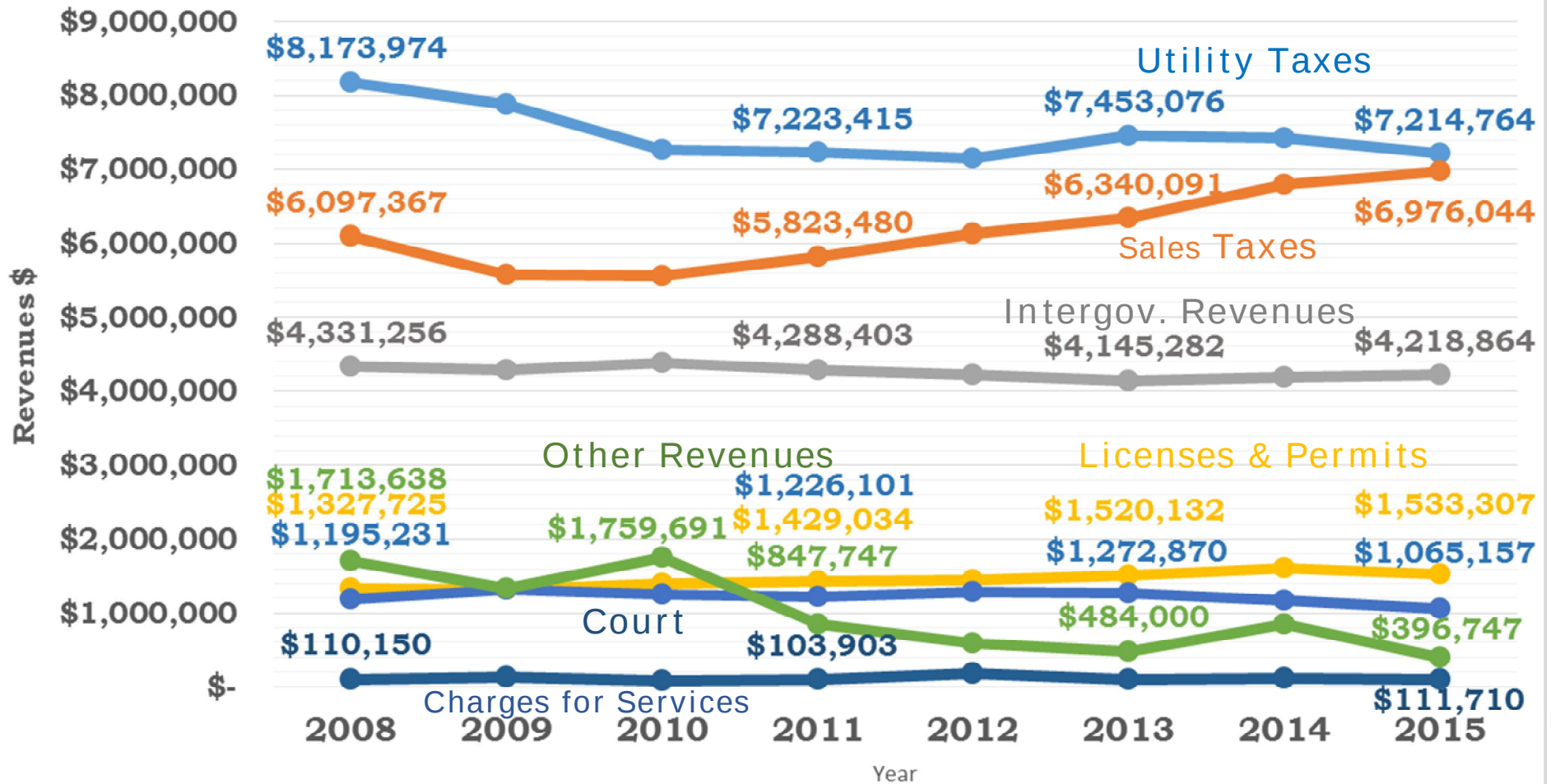
2015

EXPENSES \$585,379 MORE THAN 2008
2.6 INCREASE OVER 7 YEARS
.36% average annual INCREASE

2015

REVENUES \$1,393,462 LESS THAN 2008
6.1% DECREASE OVER 7 YEARS
.87% average annual decrease

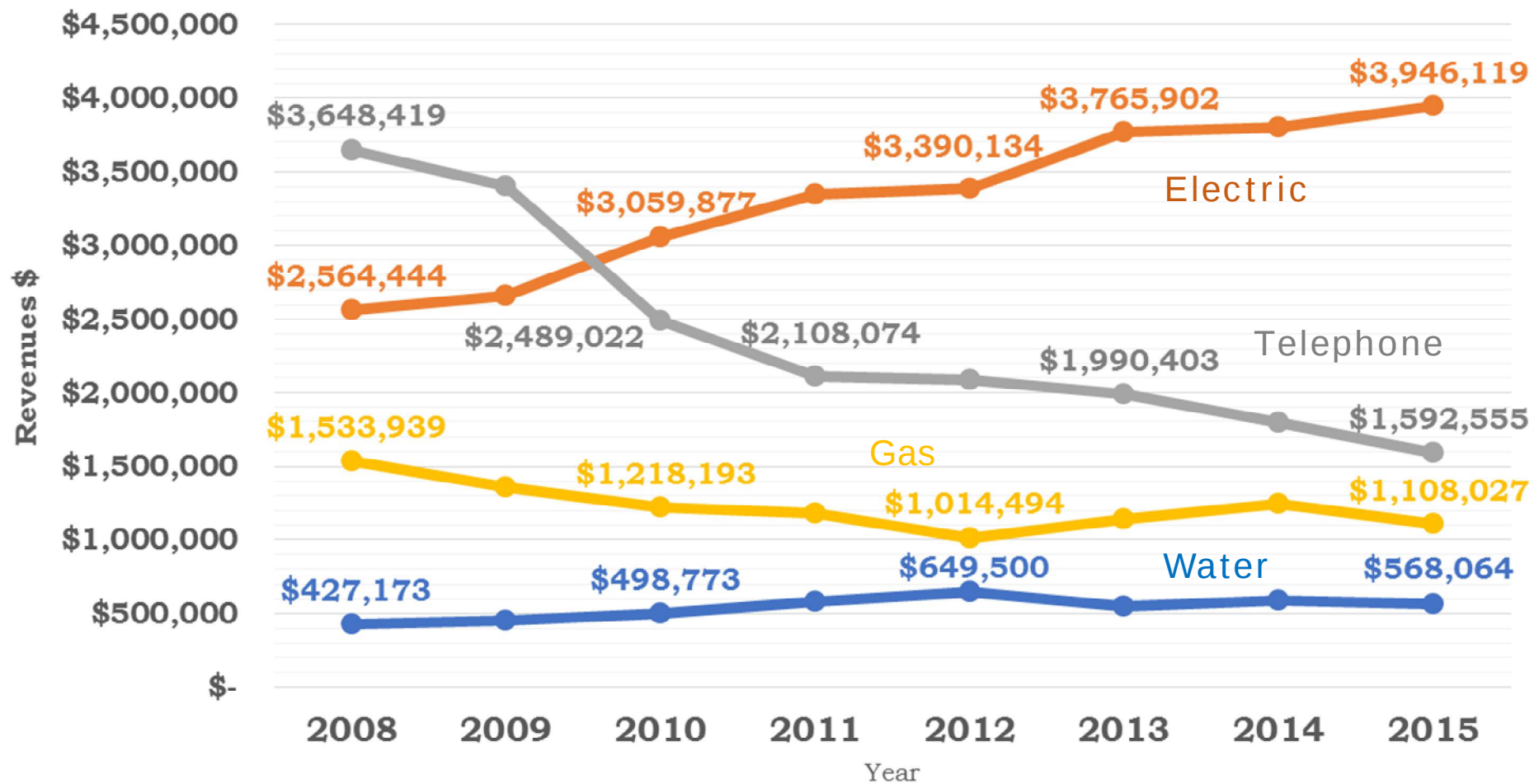
General Fund Revenues 2008 Through 2015



Utility taxes decreasing **-\$959,210** since 2008 **-11.7%**

Sales Taxes increasing **+\$878,677** since 2008 **+14.4%**

Utility Tax Revenues 2008 Through 2015



Electric increasing +\$1,381,675 since 2008 +54.6% or 7.7%/year average

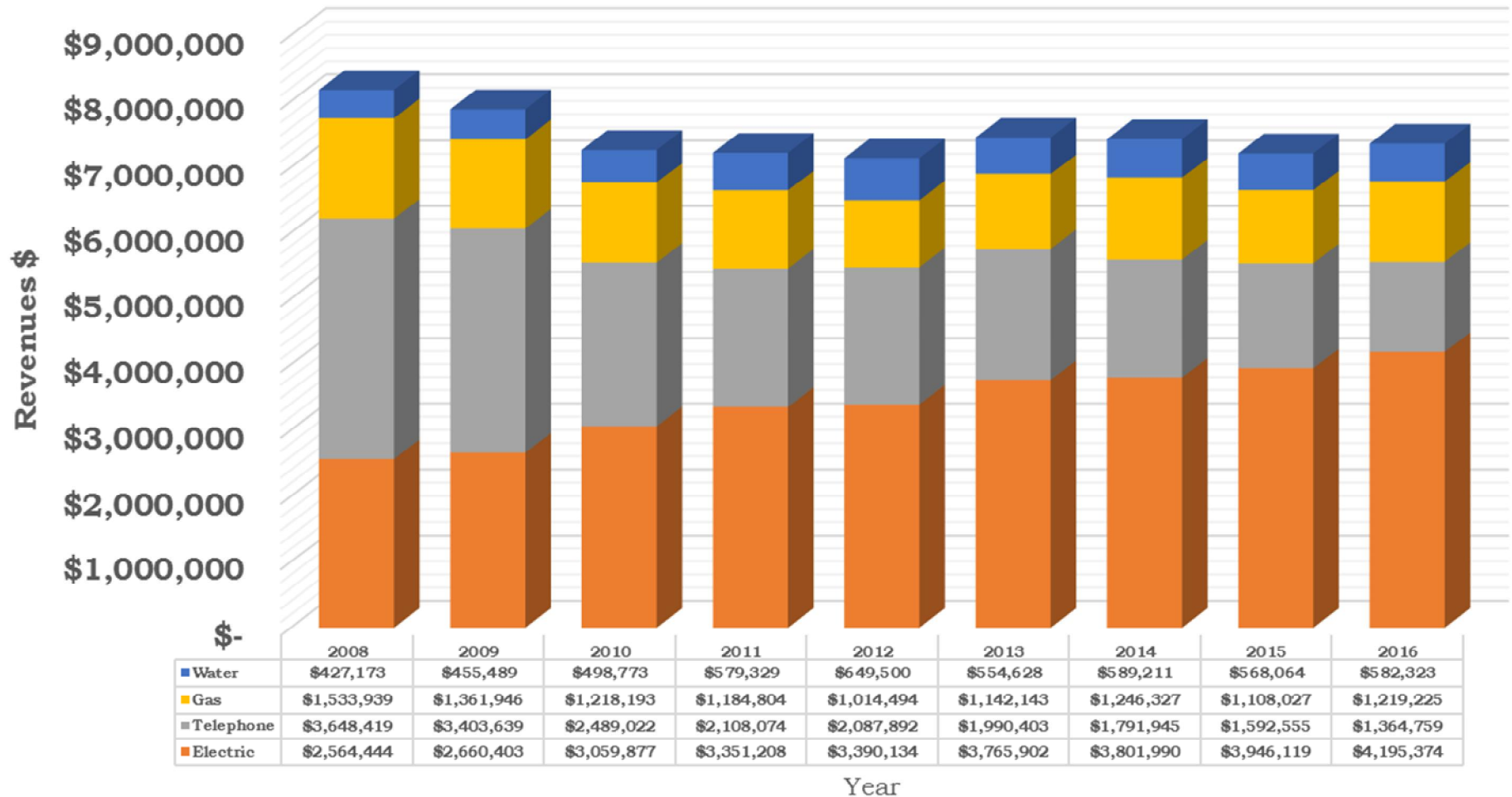
Telephone decreasing rapidly

\$2,055,864

-56.0% overall

-7.8% annual average

Utility Tax Revenues 2008 Through 2016



Electric increasing +\$1,381,675 since 2008 +54.6% or 7.7%/year average

Telephone decreasing rapidly decreasing -\$2,055,864 -56.0% overall
-7.8% annual average



Obligated Funds

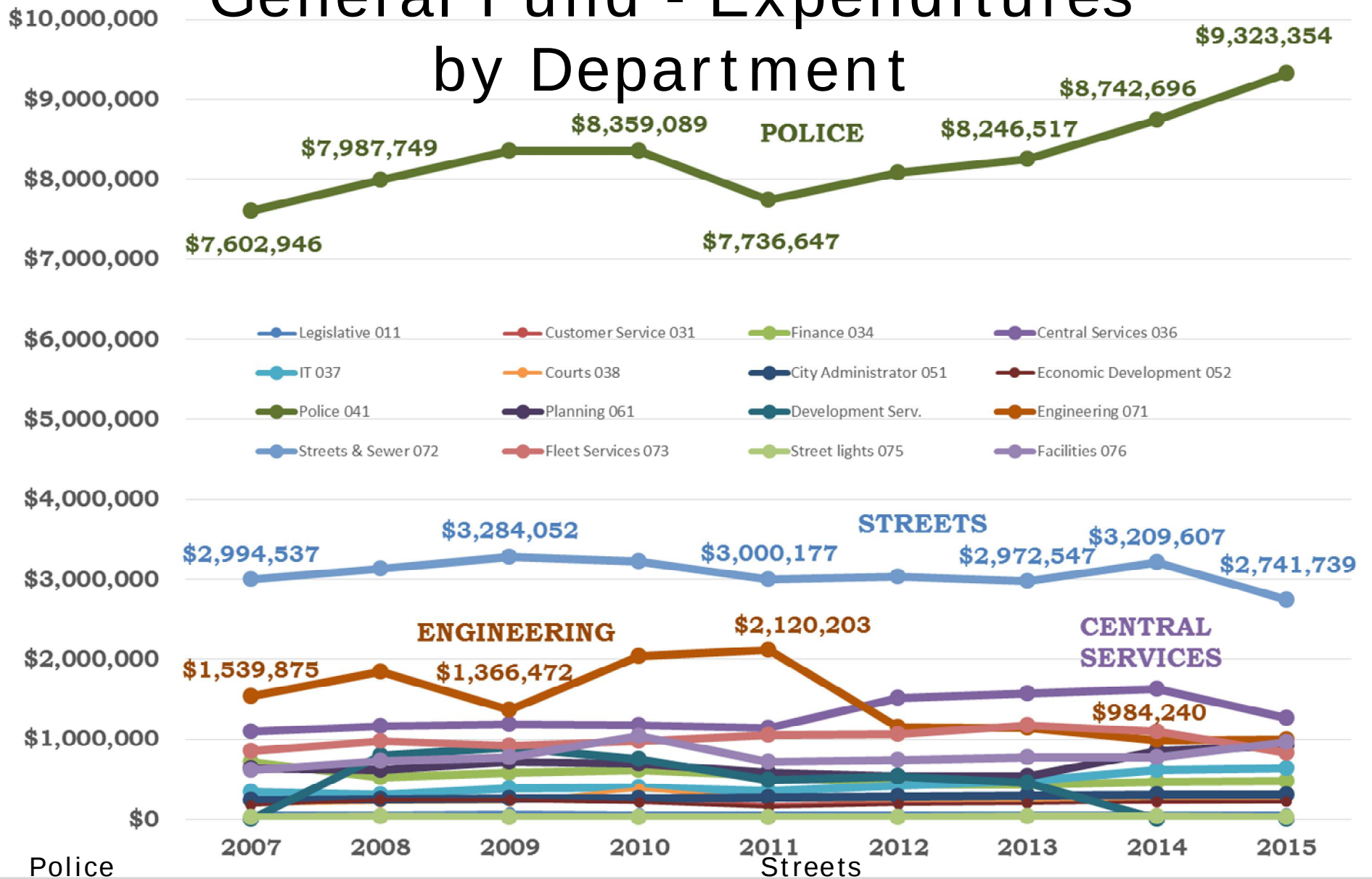
Missouri Department of Transportation
for the Federal Highway Administration
City Streets and Bridges Finance Report

For the Year Ended December 31, 2015

	General Fund	Capital Improvement	Total
A. Local Receipts for Streets and Bridges			
1. Real Property Taxes and Assessments	\$ 1,792,462	\$ -	\$ 1,792,462
2. Personal Property Taxes	-	-	-
3. City Sales Taxes	-	6,053,069	6,053,069
4. County Aid Road Trust Funds -includes state motor fuel tax, state vehicle sales tax, state motor vehicle fees	1,860,917	-	1,860,917
5. Federal Highway Grants - includes federal-aid urban and on-system bridge funds	-	1,550,349	1,550,349
6. General Fund Appropriations	-	-	-
7. Proceeds of Sale of Bonds and Notes		7,340,000	7,340,000
Total Receipts:	<u>\$ 3,653,379</u>	<u>\$ 14,943,418</u>	<u>\$ 18,596,797</u>
B. Local Disbursements for Roads and			
1. Right of Way	\$ -	\$ -	\$ -
2. Engineering	998,370	541,541	1,539,910
3. Construction	-	5,499,011	5,499,011
4. Maintenance	2,848,543	77,134	2,925,677
5. Snow and Ice Removal	140,881	-	140,881
6. Administration	-	238,275	238,275
7. Traffic Law Enforcement and Safety	-	-	-
8. Other Local Disbursements		9,277,989	9,277,989
Total Disbursements	<u>\$ 3,987,794</u>	<u>\$ 15,633,950</u>	<u>\$ 19,621,743</u>
Remaining	\$ (334,415)	\$ (690,532)	\$ (1,024,946)

Obligated funds from general revenue (Road & Bridge) \$3.6 million

General Fund - Expenditures by Department



Police

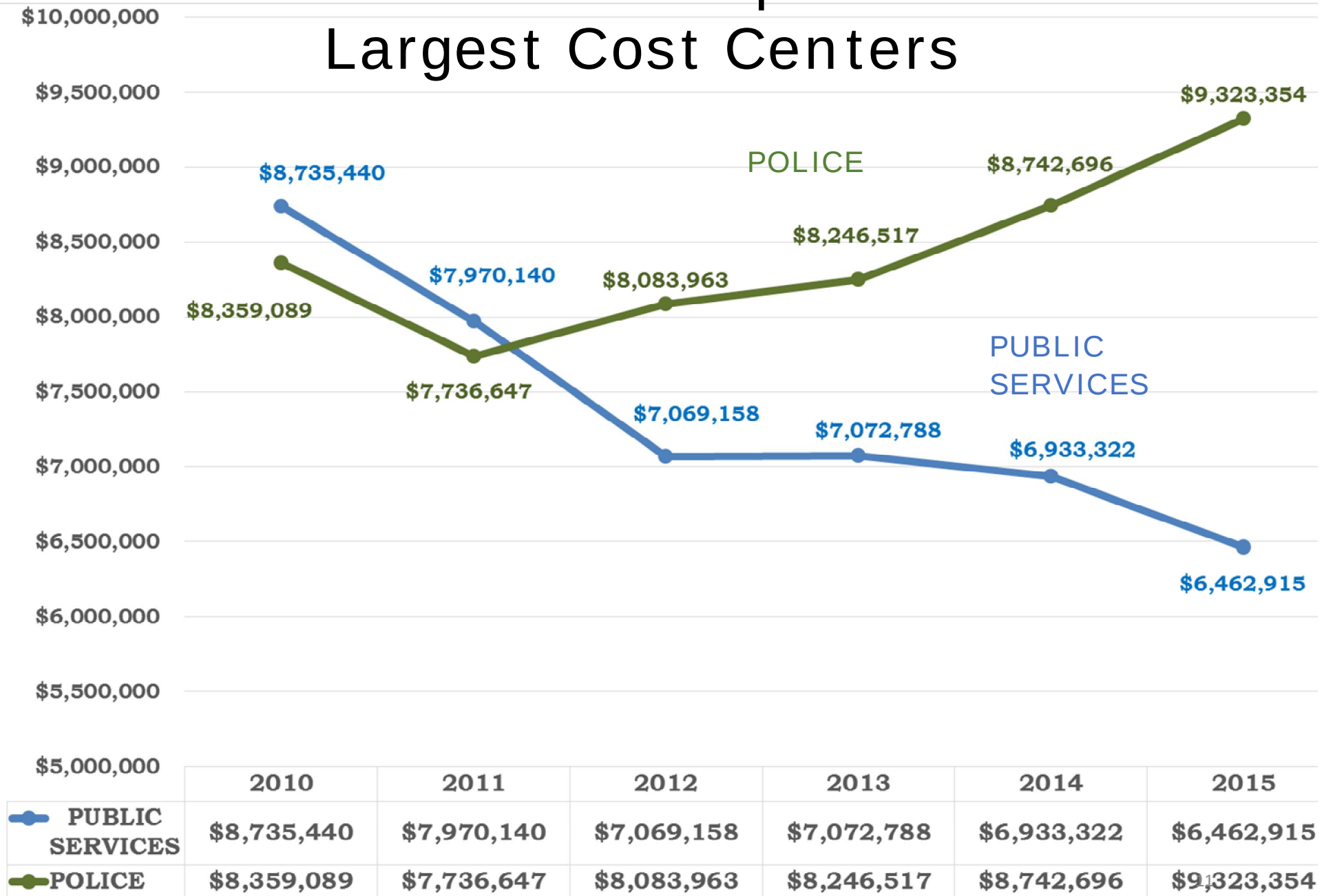
\$1,643,274 INCREASE since 2007
22% INCREASE overall
2.4% INCREASE average annual

Streets

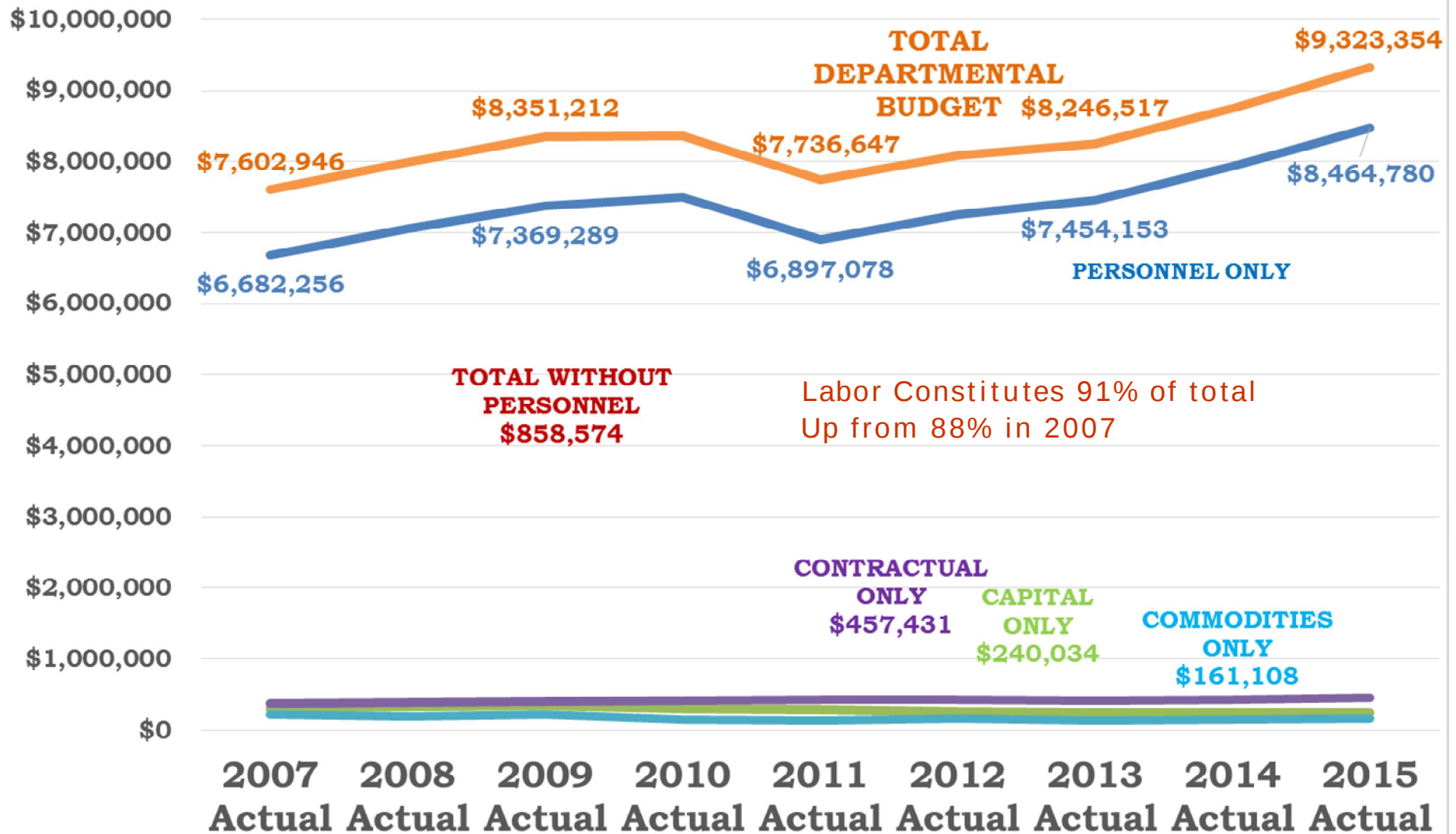
\$252,798 DECREASE since 2007
-8.4% DECREASE overall
-1.1% DECREASE average annual

General Fund - Expenditures

Largest Cost Centers

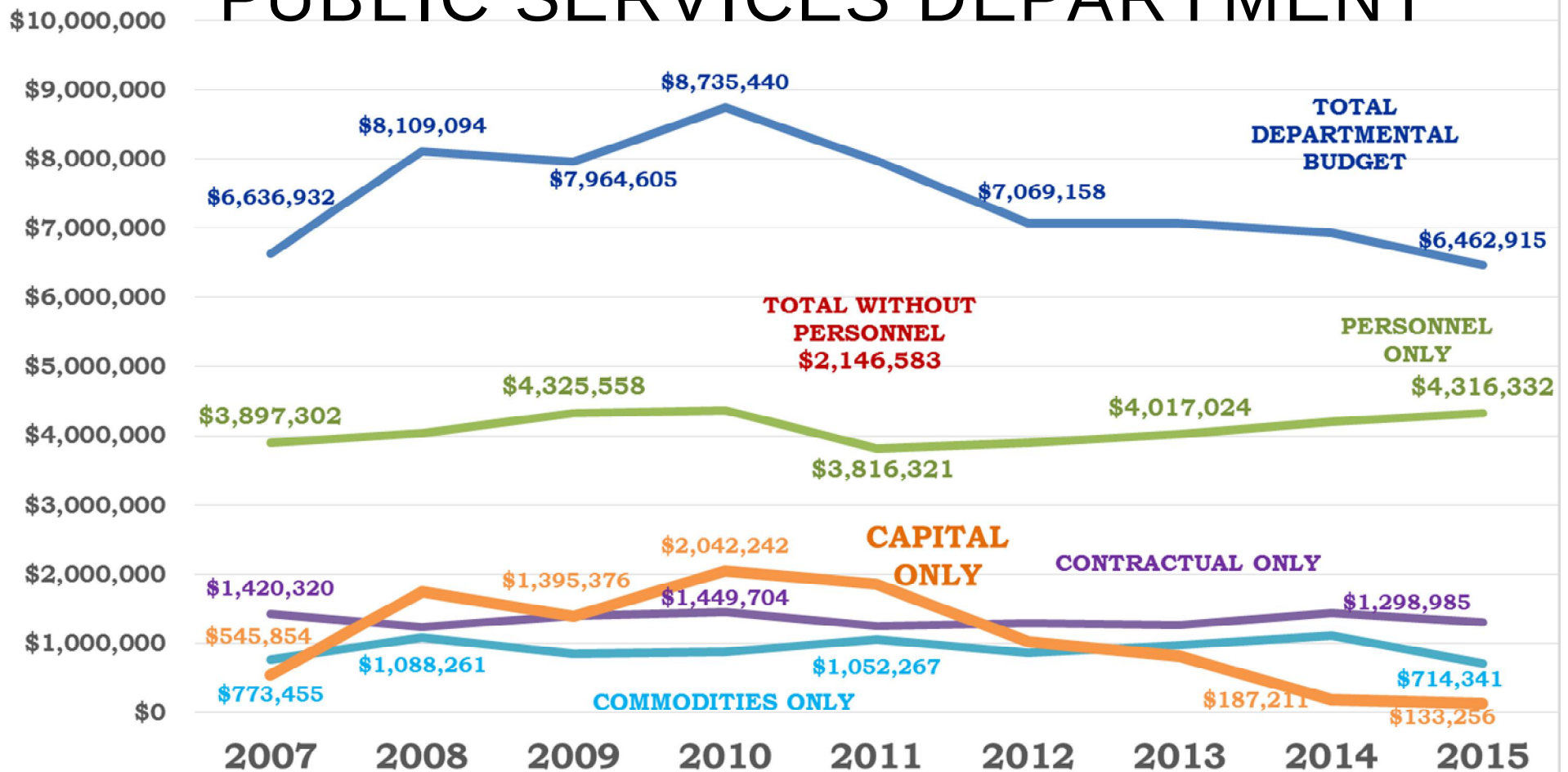


General Fund POLICE DEPARTMENT



General Fund

PUBLIC SERVICES DEPARTMENT

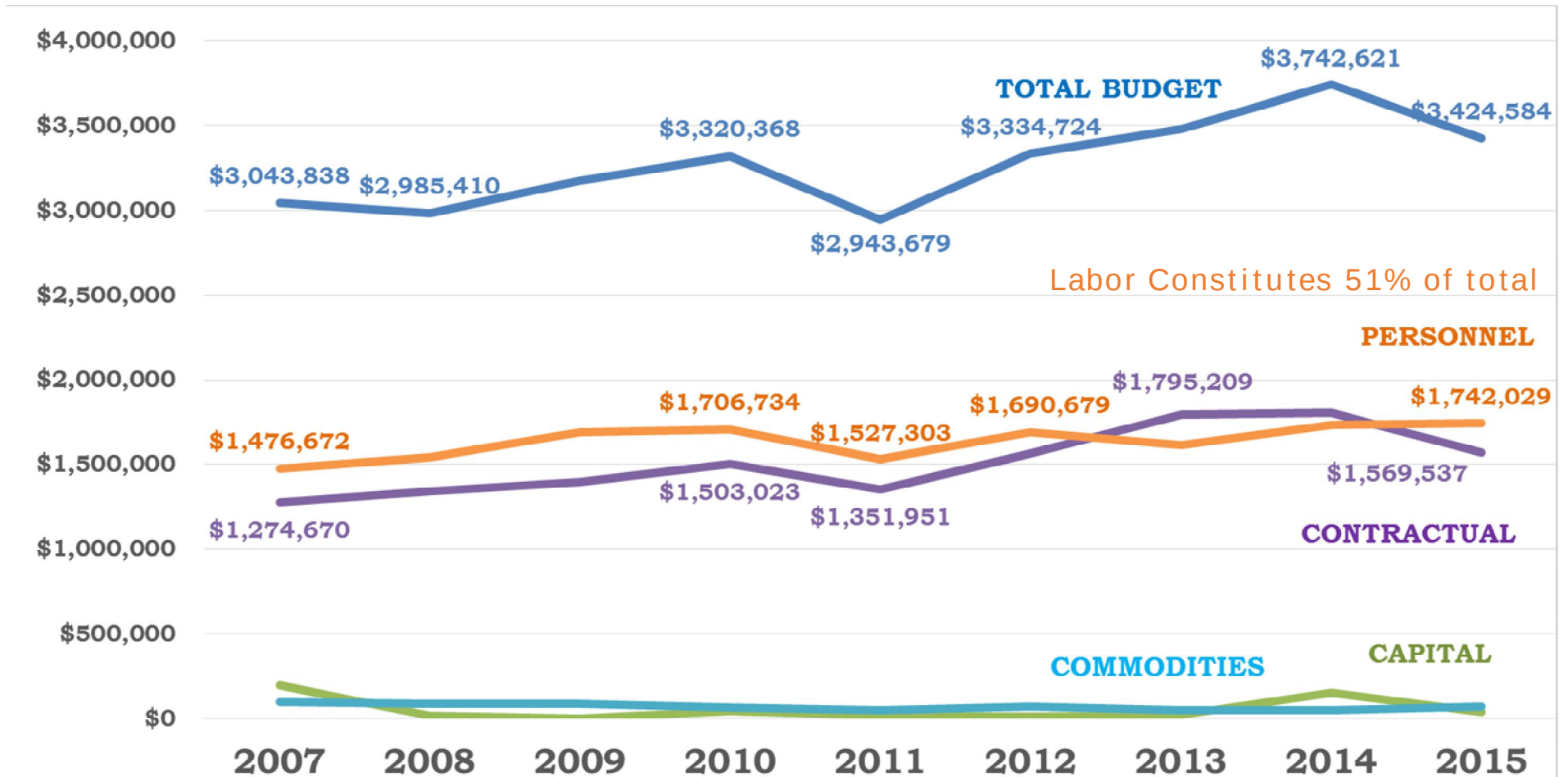


2015 Expenses \$174,017 DECREASE FROM 2007
 2.6% DECREASE OVERALL,
 0.3% average annual DECREASE

Labor

\$419,030 more than 2007
 11% INCREASE overall,
 1.3% average annual Increase
 10 positions less than 2007

General Fund ADMINISTRATION



2015 Expenses \$380,748 INCREASE
12.5% INCREASE overall
1.6% average annual INCREASE

Labor
\$265,357 more than 2007
2.25% average annual increase
2 ½ positions less than 2007

Parks Fund

PARKS DEPARTMENT



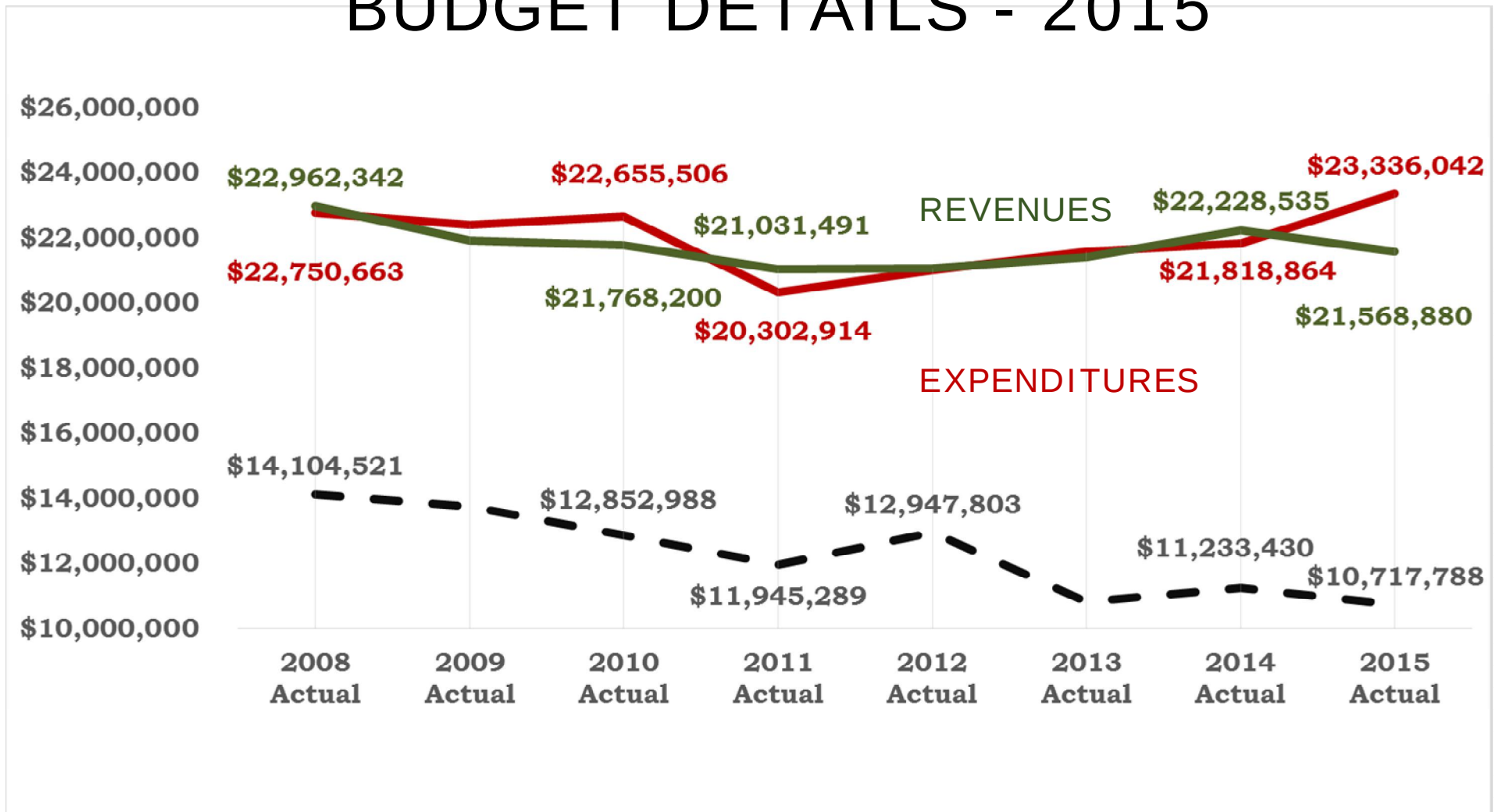
Sales Tax \$1,942,080 INCREASE
 37.4% overall 4.69% average annual

TOTAL REVENUES \$2,464,817 INCREASE
 35.8% overall 4.5% average annual

\$1.794 million Revenue Generated internally
 \$692,299 INCREASE
 63% overall 7.85% average annual

LABOR \$1,289,773
 83% overall 12% average annual

General Fund BUDGET DETAILS - 2015



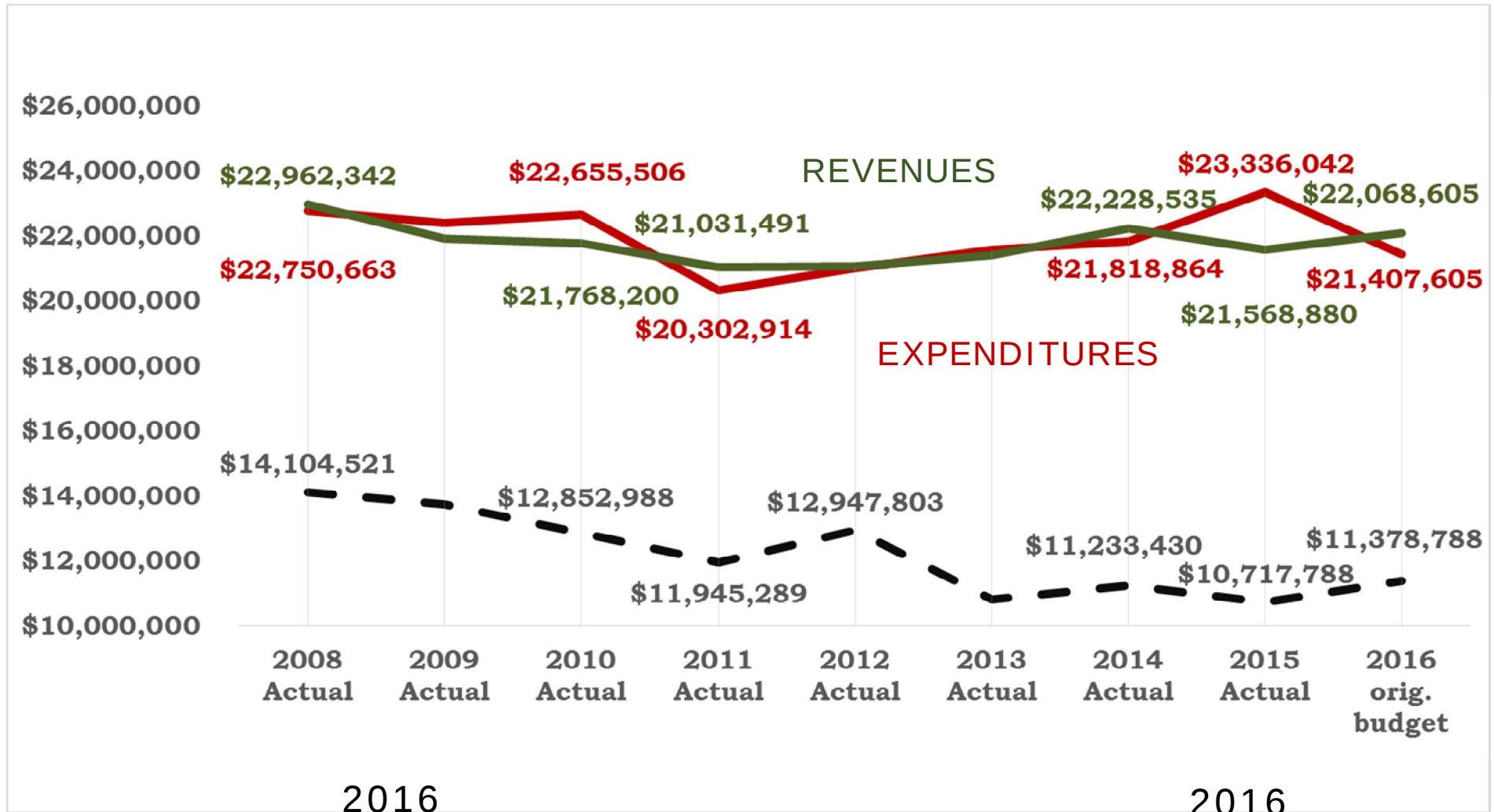
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2.6 INCREASE OVER 7 YEARS
.36% average annual INCREASE

2015

REVENUES \$1,393,462 LESS THAN 2008
6.0% DECREASE OVER 7 YEARS
.87% average annual decrease

General Fund BUDGET DETAILS - 2016



EXPENSES \$1,343,058 LESS THAN 2008
 5.9% DECREASE OVER 8 YEARS
 .74% average annual DECREASE

REVENUES \$893,737 LESS THAN 2008
 3.9% DECREASE OVER 8 YEARS
 .49% average annual decrease

MEMORANDUM

Jeff
8/18/13



DATE: August 15, 2013

TO: Michael Herring, City Administrator

FROM: Mike Geisel, Director of Public Services

RE: Upcoming Capital Needs

As you are aware, on Monday July 8, 2013 the Finance and Administration Committee favorably received Staff's recommendation to utilize funds from the Fund Reserve in excess of Council's 40% policy for the purpose of funding large and infrequent capital expenses. In essence, the Committee supported setting aside the accumulated funds in Fund Reserve, over and above 40% of the policy, as a Capital Project & Replacement Fund. The Committee concurred that using the Capital Replacement Fund for such purpose was appropriate. Accordingly, per your request, I have updated the original memorandum to reflect our current recommended project and equipment priorities for use of the Capital Replacement Fund.

Finance Director Brian Whittle, Jim Eckrich – Public Works Director/City Engineer, Matt Haug – Information Technology Manager, Ray Johnson - Police Chief and I collaborated to identify currently known and reasonably anticipated capital needs/liabilities on the immediate horizon for the City of Chesterfield. While not part of our regular and ongoing operations, it is important that we are fully cognizant of major system repairs, potential failures, or capital replacements that pose a realistic threat of failure, or otherwise present a financial liability within the near future. Recognizing that it is simply not plausible to fund certain projects or essential improvements in the normal operational budget process, we have reviewed our anticipated capital needs in an effort to develop a strategy which addresses these major expenses.

As we have discussed, we foresee a number of important and critical capital expenses in the near future. In fact, as noted below, we have identified some needs that, in our collective opinion, need to be addressed now. These expenses are not typical, routine or normal operational expenses. Some are somewhat predictable and can/shoud be planned for. In fact, per your direction, the intent of this MEMO is to provide a context for our Mayor/City Council, within which all such funding requests can/shoud be evaluated. Again, let me clearly state that it is our collective opinion that such expenses cannot be reasonably absorbed in an annual operations budget. These projects or expenses sometimes represent significant sums and funding them in an annual operations budget would result in major impacts to operations and services. Also, in order to maximize financial

FY2015 Projects funded from the GENERAL FUND – FUND RESERVE OVER AND ABOVE THE 40% RESERVE POLICY

GENERAL FUND

CHESTERFIELD PARKWAY EAST PEDESTRIAN BRIDGE	\$ 1,175,000
HVAC EQUIPMENT	600,000
FORWARD FUND GO BONDS DEBT SERVICE	335,276
ART PURCHASE: "THE BATHER"	100,000
VHP DESIGN COSTS	155,000
LEGAL SERVICES (LOBBYIST, SALES TAX LAWSUIT, ETC.)	69,185
FORWARD FUND POLICE VEHICLES	242,195
STREET TREE REMOVALS	100,000
EMERALD ASH BORER	240,000
2014 BUDGET REAPPROPRIATION	<u>101,710</u>

General Fund Net Budget Adjustment	\$ 3,118,366
------------------------------------	--------------

SIGNIFICANT CAPITAL PROJECTS THAT ARE HERE OR ON THE HORIZON

NEEDS, WANTS, WISH, AND THOUGHTS

Programs & Activities:

Update Comprehensive Plan & City Traffic Model \$300,000

Street Reconstruction Annual Program - Increase capital spending - \$1.7 M

EAB Program - \$400,000/year, six more years

Snow removal reimbursement program

Document Management System

Parks Land acquisition

Deer Eradication

Facilities:

City Pool and Bath House \$8.5 Million

PW Facility Roof replacement - \$225,000

Doorack Property - ??

Building Security system replacement

CVAC parking lot paving - \$700,000

Parking Garage at Central Park – Joint venture

City Hall Parking Lot

Central Park Parking Lot

City Hall Carpets - \$250,000

City Hall Windows Blinds\Shades at CH-\$36,000

Furniture replacements

Wash bay at PMF and upgrade wash bay at PWF - \$400,000 (water quality)

Recreation:

Pathway on the Parkway near Brandywine

Riparian Trail (Lydia Hill to Old Chesterfield Connection) - \$1.5 Million
Connect the Riparian Trail to the Monarch Levee Trail at Baxter and Edison

Riparian Trail (Lydia Hill to Lake #2)

Levee Trail - Pedestrian bridge to the levee trail over Bonhomme Creek

Levee Trail - Extend east to connect with Creve Coeur bike path

Railroad Park - Way into park for pedestrians, no vehicular traffic

Pathway on the Parkway near Brandywine

Wildhorse Creek Road sidewalk

Cricket pitches

Pickleball courts

Synthetic turf to A3, A4, B1, B5 and the infields on the C quad

Additional restroom facilities south of soccer field B5

Recreation:

Scoreboards on the F quad fields

New playground at the west end of the CVAC complex

Eberwein Park - Boardwalk and small gazebo to connect the two trails

Path development / concrete

Small pavilion for two picnic tables east of the Community Garden

Fitness equipment at Eberwein around trail

Railroad Park - Trail/walking path

Cycle cross park

Pavilions

Additional gravel parking lot west of the A1 & A2 fields - MLCD property

Filter irrigation water to reduce iron staining

Indoor Community Center / Rec Center with pool and space to run programs, gym space, pickle ball and community events.

Outdoor fitness equipment on our trails

Outdoor sand volleyball courts

Roads:

Street Reconstruction Annual Program - Increase capital spending - \$1.7 M

Schoettler Road - Unsuccessful STP grants 3 years (\$21M)

South Outer 40 connection (Clarkson Road to Chesterfield Parkway East)

Baxter Road extension (River Valley Connector)

North Outer 40 from Chesterfield Parkway to Summit Ice Sports,
including Swingley Ridge connection.

Wilson Road S-curve

Burkhardt Place extension

Chesterfield Parkway - \$5 million one time,
\$450,000 annually (pavement maintenance and signals)

Hog Hollow -\$4.3 million

West Drive - \$2 million

Fund Reserves for the General Fund - 12/31/16
Projection As of 6/28/16

12/31/15 General Fund Reserves		\$ 12,581,029
FY2016 Estimated General Fund Activity		(1,614,093)
Projected 12/31/16 General Fund Reserves		10,966,936
<u>Less:</u>		
1) Funds Designated for POST (Funds from the State for Police Training Only)	(80,000)	
2) Funds Designated for Inmate Security	(50,000)	
Total Designated Funds		(130,000)
Projected 12/31/16 Unreserved General Fund Reserves		10,836,936
Less 40% Requirement of Expenditures including Transfers:		(8,541,187)
FY2016 Expenditures & Transfers - Original Budget	21,352,967	
Total Available for Council above the 40% Requirement Policy		2,295,749
<u>Less One Time Expenditures</u>		
1) Sales Tax - Legal Services (\$102,009 allocated)	(17,991)	
2) Broadmoor NID - Project Expenditures	(1,435,000)	
		(1,452,991)
Available Before One-Time Reimbursements		842,758
<u>One Time Reimbursements</u>		
3) Temporary Transfer to Special Projects Fund for Wetland Mitigation	250,000	
4) Broadmoor NID - Receivable	1,435,000	
		1,685,000
Total Left Above the 40% Requirement Policy		\$ 2,527,758



General Fund - 2016

ACCOUNTS > \$100K

Description	Division	2014 Actual	2015 Actual	2016 Budget
Insurance	Central Services	\$ 404,800	\$ 427,221	\$ 348,400
Legal services	Central Services	380,612	415,575	345,000
Miscellaneous contractual	Street Maintenance	399,595	366,596	375,100
Miscellaneous contractual	Police Department	325,797	341,786	349,591
Gasoline & oil	Vehicle Maintenance	440,961	292,287	450,000
Automobiles & trucks	Police Department	237,945	235,084	-
Department supplies	Street Maintenance	243,275	213,347	265,000
Utilities-electric	Facility Maintenance	145,535	157,389	149,000
Snow removal reimbursement	Street Maintenance	159,885	140,881	160,000
Miscellaneous contractual	Central Services	214,738	121,443	125,000
Maintenance & repair-equipment	Facility Maintenance	26,789	120,020	33,000
Data processing	Information Technology	96,806	109,326	121,500
Salt & abrasives	Street Maintenance	322,603	105,730	280,000
Maintenance & repair vehicles	Vehicle Maintenance	131,228	102,629	120,000
Total > \$100,000		<u>\$ 3,530,568</u>	<u>\$ 3,149,314</u>	<u>\$ 3,121,591</u>
Total NonPersonnel \$		\$ 5,550,409	\$ 4,687,710	\$ 5,011,321
		63.6%	67.2%	62.3%



General Fund - 2016

ACCOUNT DETAILS

Central Services - Insurance

Additional Flood	\$ 21,000
Commercial Package	209,000
D&O Liability	45,000
Fiduciary Liability	4,000
General Liability	155,000
Notary insurance	300
PARKS ALLOCATION	(116,100)
Petroleum tank Insurance	200
Public Employee Dishonesty Bond	4,000
SLAIT Deductible	5,000
Unemployment Insurance	21,000
	<u>\$ 348,400</u>

Central Services - Legal services

Armstrong Teasdale - Eco Devo Attorney	20,000
City Attorney	240,000
Lobbyist for Sales Tax Issue	25,000
Other Legal Expenses	6,300
Prosecutors - additional monthly	7,200
Prosecutors (Engelmeyer & Pezzani)	46,500
	<u>\$ 345,000</u>

Street Maintenance - Miscellaneous contractual

Agilis Tracking Service	\$ 15,600
Bid Advertising	5,000
Contractual Hauling	15,000
Hotel Rooms During Snow Operations	1,500
Landfill Tipping Fees	50,000
Misc. Construction testing services (asphalt & concrete)	10,000
Misc. Contractual Services	30,000
Street Striping	40,000
Street Sweeping	28,000
Tree and Stump Removal	280,000
	<u>\$ 475,100</u>

Police - Miscellaneous contractual

Livescan Rejis Arrest Record Interface	300
Rejis	65,000
St. Louis County Dispatch Services	265,891
Vehicle Changeover	18,400
	<u>\$ 349,591</u>



General Fund - 2016

ACCOUNT DETAILS

Street Maintenance - Department supplies

Asphalt	\$ 25,000
Asphalt Material	20,000
Concrete Material	120,000
Misc. Materials and Supplies	25,000
Rock	30,000
Signs and Sign Materials	25,000
Supplies for Right of Way Repairs	20,000
	<u>\$ 265,000</u>

Central Services - Miscellaneous contractual

Ameren Tenant Successor Report	\$ 150
courier service	500
Credit card and bank Fees	13,200
Doorack Lease	78,000
Doorack Property tax	8,300
General Code - Annual on-line maintenance fee	1,200
General Code - Quarterly Code of Ord Updates	5,300
Hazard Waste	4,500
Other	400
Shred It	1,800
	<u>\$ 113,350</u>

Information Technology - Data processing

eMail Archiving Subscription	\$ 4,000
ESRI GIS Software Maintenance	16,000
Fax Server Maintenace	1,000
Firewall License Subscriptions	6,000
Microsoft Software Assurance	45,000
Misc. Software Licenses	5,000
PD - Building Security Maintenance	6,000
PD - Evidence Tracker Maintenance	2,500
PD - Guardian Tracker Maint/Software License	1,500
PD - Power DMS Software CALEA Subscription	7,500
PD - REJIS Software Licensing & Updates	3,000
PD - Software Licensing & Updates	3,000
PD - Video Server Maintenance & Support	7,000
SPAM Filter Subscription	2,000
Veeam Backup License	6,000
VMware Support	6,000
	<u>\$ 121,500</u>

Street Maintenance - Salt & abrasives

De-icing Salt	\$ 221,240
Other De-icing Materials	20,000
Salt Unloading and Delivery	38,738
	<u>\$ 279,978</u>



Parks Sales Tax Fund

PROPOSITION P

Ordinance No. 2112 (approved 8/2/04)

Shall the City of Chesterfield, Missouri, impose a sales tax of one-half of one percent ($1/2$ of 1%) for the purpose of providing funding for local parks and recreation for the City.



PROPOSITION P

EXPANSION

- CVAC Football Fields
- CVAC F Athletic Quad
- Parks Maintenance Facility
- Eberwein Park
- Dog Park
- Amphitheater
- Beautification Islands & Quads
- City Hall landscape
- Rivers Edge Park



Parks Sales Tax Fund

Fund Reserves for the Parks Sales Tax Fund - 12/31/16 Projection As of 6/15/16

12/31/15 Parks Sales Tax Fund Reserves	\$ 2,870,583
FY2016 Projected Net Activity	<u>(334,655)</u>
Projected 12/31/16 Parks Sales Tax Fund Reserves	2,535,928
Less 40% Requirement of Expenditures excluding Transfers:	
FY2016 Budgeted Expenditures (	\$6,151,301
Less 40% Requirement Policy	<u>40%</u>
Total Projected Expenditures excluding Transfers	(2,460,520)
Total Available for Council above the 40% Requirement Policy	<u>\$ 75,408</u>

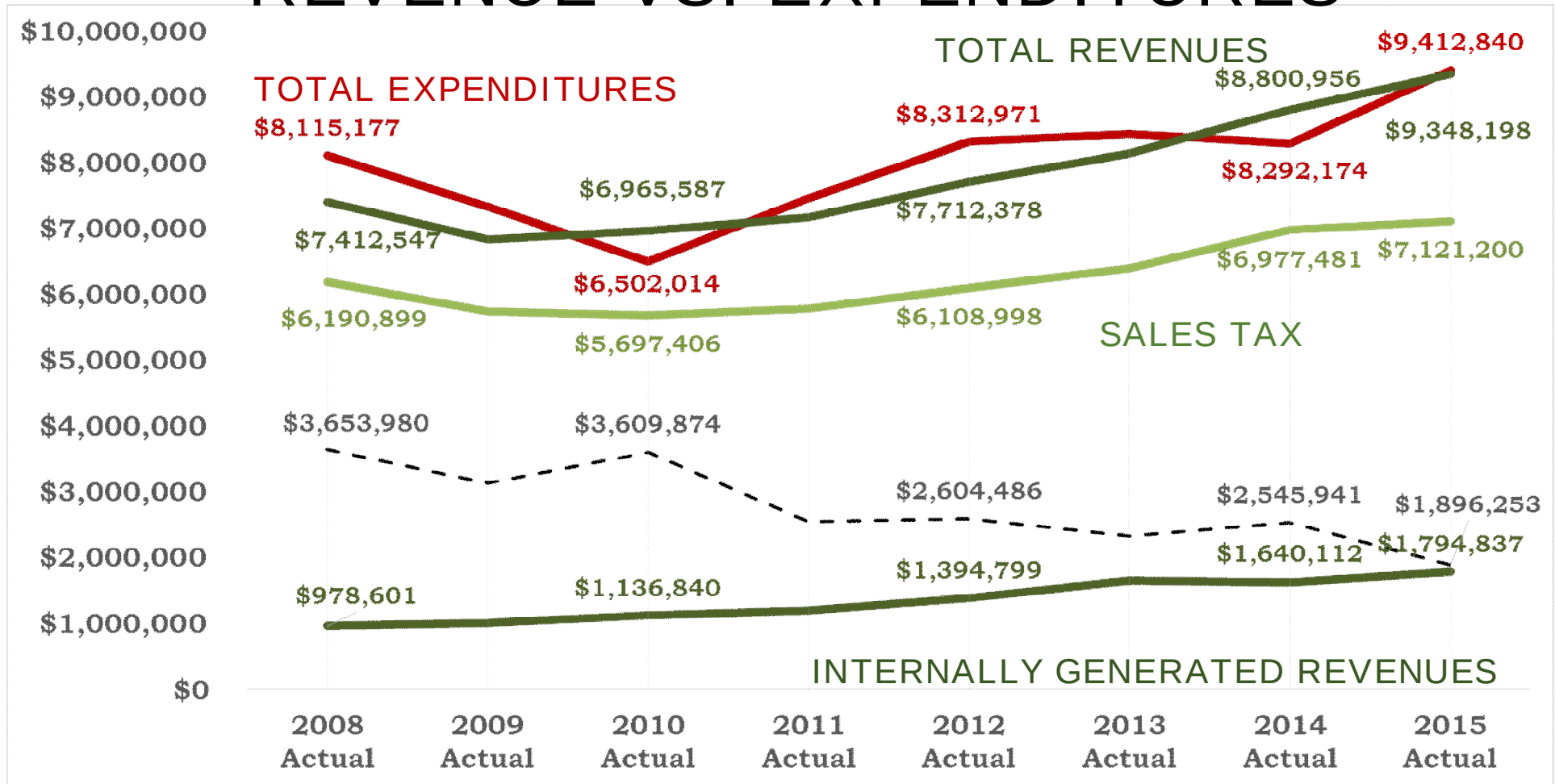


Parks Sales Tax Fund

- Park maintenance, construction, programs & events, facilities, etc.
- Debt service \$2.9 million
- \$9.4 million annual revenue
 - \$7.1 million from ½ cent sales tax
 - Remainder from rentals, concessions, & grants (internally generated revenues)

Parks Fund

REVENUE VS. EXPENDITURES



SALES TAX Revenues have increased \$930,301
 15% INCREASE IN 7 YEARS
 2.15% average annual INCREASE

EXPENDITURES have increased \$1,297,663
 16% INCREASE IN 7 YEARS
 2.28% average annual INCREASE

SELF GENERATED REVENUES have increased \$816,236
 83% INCREASE IN 7 YEARS, 11.9% average annual increase



Parks Sales Tax Fund - 2016

ACCOUNTS > \$100K

Description	Division	2014 Actual	2015 Actual	2016 Budget
Projects	Capital Items	\$ 168,408	\$ 719,263	\$ -
Miscellaneous contractual	Parks and Recreation	409,411	566,766	741,100
Department supplies	Parks and Recreation	451,761	476,807	464,000
Department supplies	CVAC Concession	245,426	278,336	220,600
Utilities-electric	Parks and Recreation	244,899	263,975	245,000
Miscellaneous supplies	Parks and Recreation	62,822	246,935	218,800
Machinery & equipment	Capital Items	124,467	164,285	79,900
→ Gasoline & oil	Parks and Recreation	-	160,000	160,000 ★
Utilities-water	Parks and Recreation	127,712	131,926	120,000
Maintenance & repair-building	Parks and Recreation	80,572	105,842	85,000
Improvements building & grounds	Capital Items	243,205	102,344	82,000
Total > \$100,000		<u>\$ 2,158,682</u>	<u>\$ 3,216,478</u>	<u>\$ 2,416,400</u>
Total NonPersonnel \$		\$ 2,836,596	\$ 3,714,704	\$ 3,120,300
		76.1%	86.6%	77.4%

Transferred \$160,000 for gasoline and oil from General Fund – Beginning in 2015



Parks Sales Tax Fund - 2016

ACCOUNT DETAILS

Parks and Recreation - Miscellaneous Contractual		Parks and Recreation - Machinery & equipment	
Pool Management and Maintenance	\$ 325,000	Fraise Mower - New	\$ 39,000
→ Insurance Allocation	116,100	Walk Behind Mower - Propane - replacement	20,100
Duro Edge - 6 fields	50,000	Utility Cart - New	7,500
Ground Maintenance	25,000	Trailer - replacement	7,000
Mulching	25,000	Compost Spreader - New	6,300
Tree & Bush Replacement	25,000		<u>\$ 79,900</u>
Irrigation Control Panel Upgrade	24,000		
Lazy River Pool Painting	22,000	Parks and Recreation - Improvements building & grounds	
Parkway Tree/Bush Replacement - Ash Trees	20,000	B7- Renovation	\$ 30,000
Trail Maintenance	20,000	Utility Free Toilet - Rivers Edge	27,000
SCS Unit Painting at Pool	15,500	Concrete - Pool deck	25,000
Fencing	15,000		<u>\$ 82,000</u>
→ Chamber of Commerce Fireworks	12,000		
Backflow Inspections	10,000		
Credit Card Fees	10,000		
Monitoring	6,000		
Banners	5,000		
Fire Extinguisher Service	3,000		
Art Sculpture Maintenance	2,500		
Tree Fertilization & Spraying	2,500		
Extermination Services	2,000		
Irrigation	1,500		
Lake Stocking	1,500		
Pump Station	1,500		
Soil Testing	1,000		
	<u>\$ 741,100</u>		



Parks Sales Tax Fund - 2016

ACCOUNT DETAILS

Parks and Recreation - Department supplies

Seed / Sod	\$ 60,000
Fertilizer	57,000
Chemicals	45,000
Park Amenities	40,000
Plant Material	35,000
Irrigation	30,000
Janitorial	30,000
Hardware	22,000
Mulch - in house	20,000
Top Soil	18,000
Field Conditioner	14,000
Field Paint	12,000
Non-Cap Equipment	12,000
Rock-Concrete	10,000
Signs	10,000
Flags	9,000
Bike Racks	7,000
Misc	6,000
Field Chalk	5,000
First Aid	4,000
Paint	4,000
Safety Equipment	4,000
Banners	3,000
Lumber	2,000
Chlorine	1,500
Dog Tags	1,500
Batteries	1,000
Oil/Filters	500
Pest Control	500
	<u>\$ 464,000</u>

Parks and Recreation - Miscellaneous supplies

4th of July	\$ 75,000
Turkey Trot	54,000
Swim Programs	21,500
Adult Softball Leagues	15,000
Taste of Trucktober	10,000
Duathalon	5,000
Marketing	5,000
Misc.	5,000
Swag	5,000
1/2 marathon	3,700
Movies Under the stars	3,000
Environmental Programs	2,000
Get Active	2,000
Start Smart Baseball	2,000
Dive In Movie	1,500
Drive In Movie	1,000
Fit Programs	1,000
Senior Sizzlers	1,000
Tour de Wellness	1,000
Start smart soccer	850
Yappy Hour	800
Great American Camp out	750
Cardboard Boat Regatta	500
Fishing Derby	500
LOAP	500
Recreational Kayaking Class	500
Tree Day	400
Bday Party CVAC	300
	<u>\$ 218,800</u>

Expenses shifted from General Fund to Parks Fund.

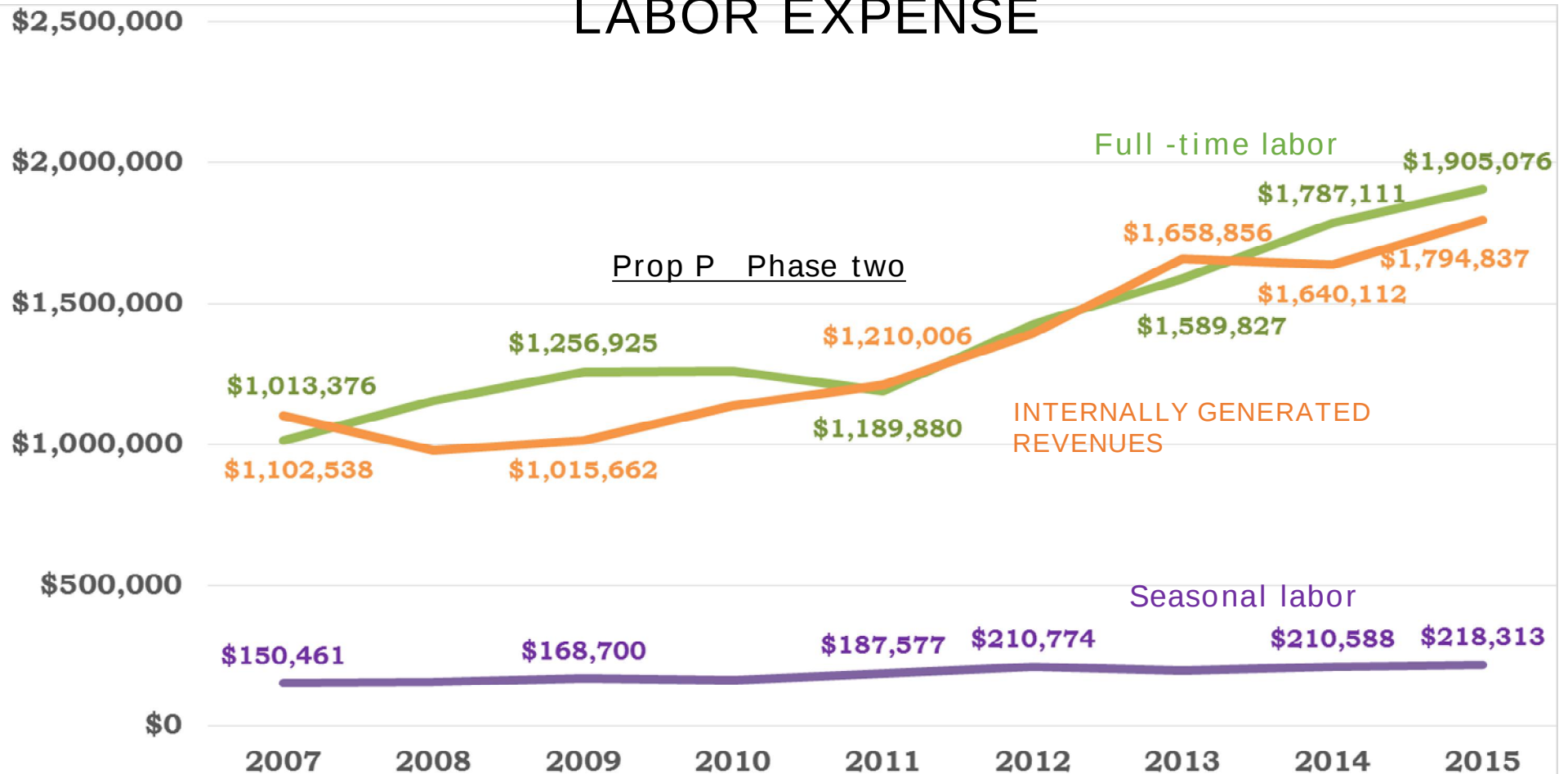
Stages	\$ 75,000
Chamber Fireworks	\$ 12,000
Chamber Concerts	\$ 3,000
Civic Orchestra	\$ 25,000
City Insurance premium (Pro-rata)	\$116,100
Fuel & Vehicle Maintenance (Pro-rata)	\$160,000

Other expenses have transitioned back and forth

Doorack

Marketing

PARKS FUND LABOR EXPENSE



FULL TIME LABOR INCREASED \$891,700 SINCE 2007
88% OVERALL 11% ANNUAL AVERAGE

SEASONAL LABOR INCREASED \$67,852
45% OVERALL 5.64% ANNUAL AVERAGE

LABOR INCREASE CLOSELY CORRELATED TO INTERNAL REVENUE GENERATION



Capital Improvement Sales Tax Fund

PROPOSITION R

Ordinance No. 1211 (approved 12/2/96)

PROPOSITION "R"

Shall the City of Chesterfield, Missouri, impose a sales tax of one-half of one percent for the purpose of constructing, extending, repairing, resurfacing, improving and maintaining City streets, curbs, gutters, sidewalks and related improvements thereto?



Capital Improvement Projects

- Current spending ~\$3.1 million/yr.
 - 3.8 miles reconstructed each year
- 176 miles of streets
- Optimistically - 30 year life
- $176 / 30 =$ need to replace 5.9 miles/year
\$4.81 million/year

Deficit ~ \$1.7 million annually

“Proposition P” Original Plan Concept

2/12/96

130 miles, add 3 miles/year/30 year life

1997	1998	1999	2001	2002	2003	2004	2005	2006
\$2,196,480	\$2,337,055	\$2,485,361	\$2,806,762	\$2,980,702	\$3,164,067	\$3,357,331	\$3,560,995	\$3,775,579
2007	2008	2009	2010	2011	2012	2013	2014	2015
\$4,001,633	\$4,239,730	\$4,490,473	\$4,754,491	\$5,032,446	\$5,325,030	\$5,632,969	\$5,957,023	\$6,297,988

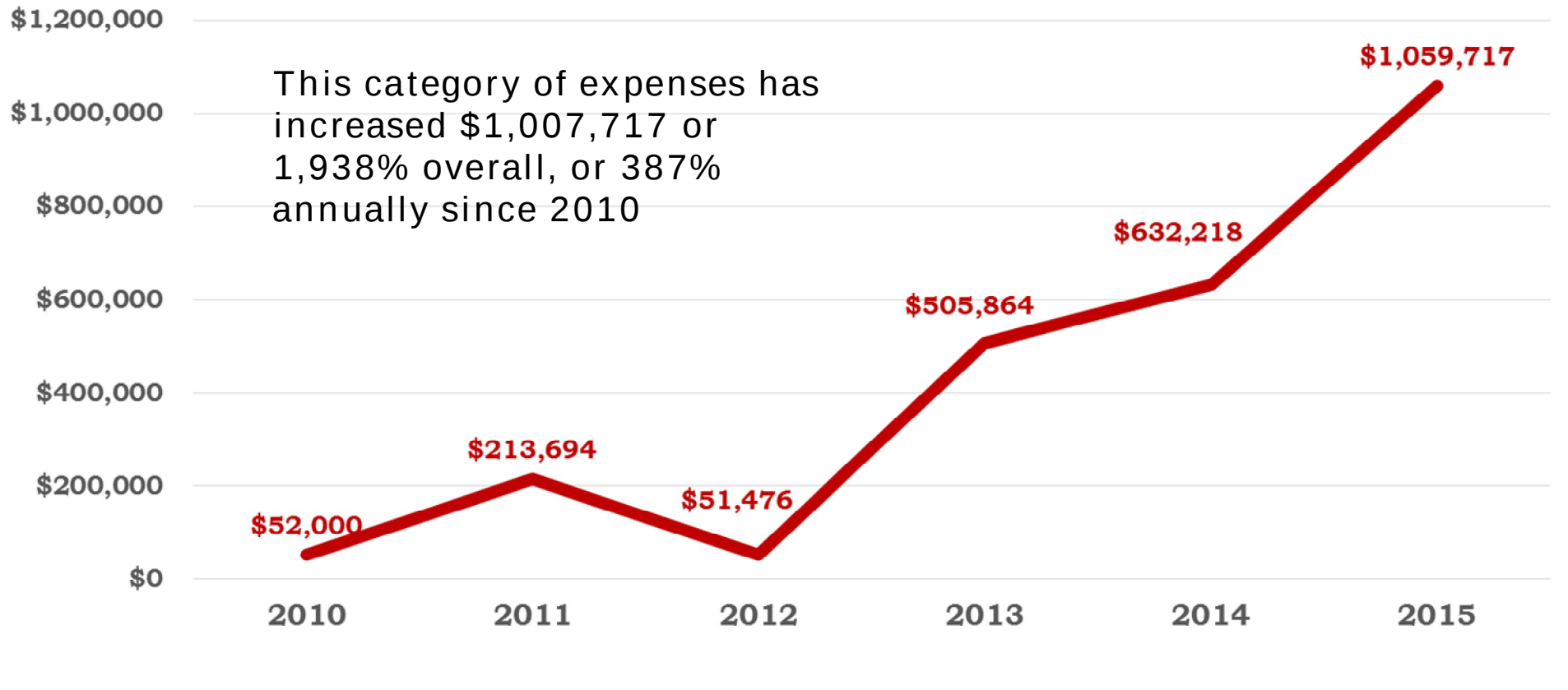
- Issue \$30 million in Bonds
- Replace ~ 30 miles of streets in 6 years
- Upgrade Street Standards
- Create sinking fund for first 10 years after street upgrade
- Sinking Fund would fund reconstruction deficit until Debt Service was retired
- Steady state funding of \$6 Million annually (1996 dollars) would fund annual reconstruction needs on a “PAY AS YOU GO” basis thereafter

Capital Projects Fund



Sufficient Funds are generated by Sales Tax

Capital Fund



Vehicles \ Equipment \ Improvements to Buildings

Expenses shifted from general fund to parks fund.....

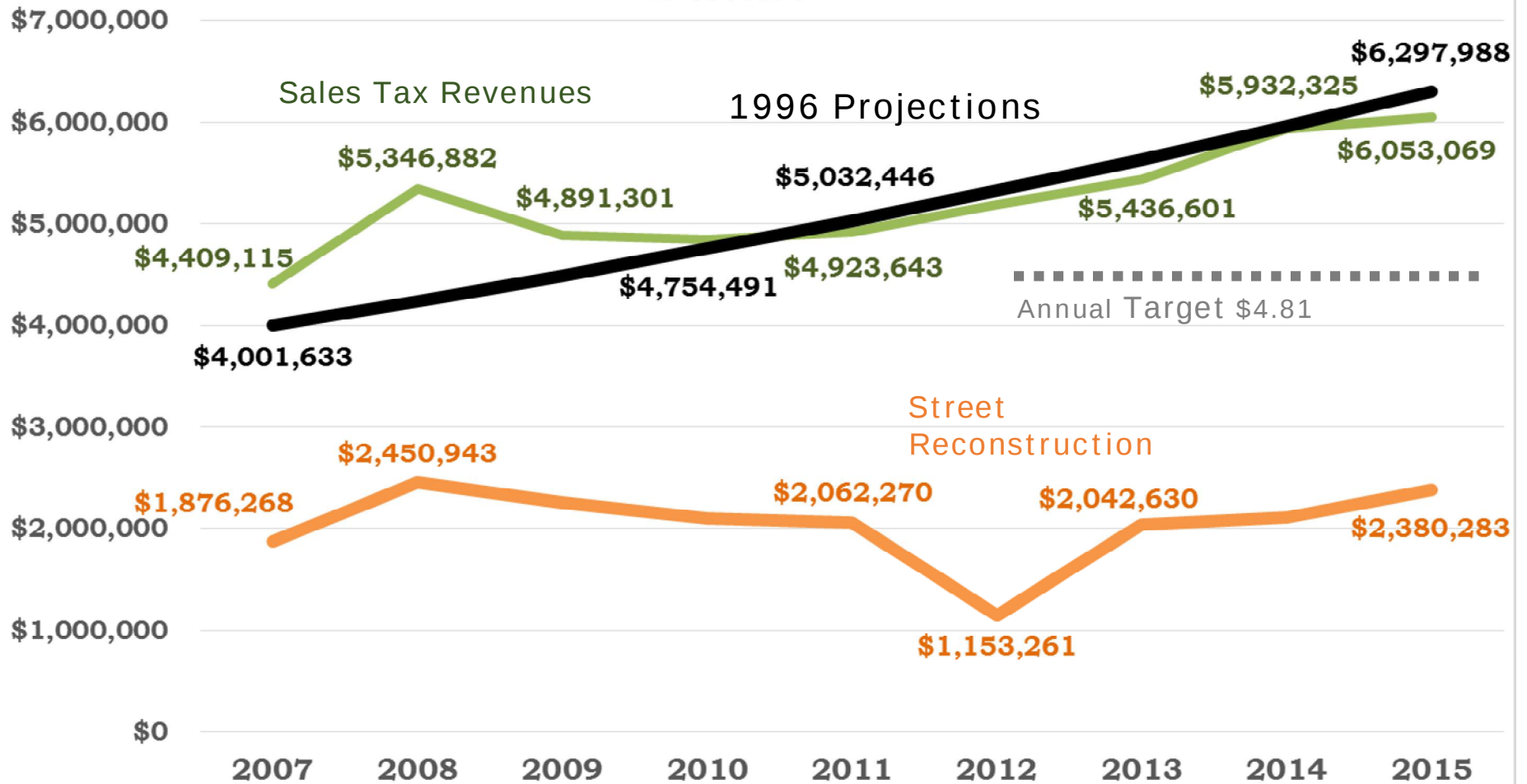
Capital Improvement Sales Tax Fund

Capital Projects Fund	1999	2000	2001	2002	2003	2004	2005	2006	2007
Machinery & Equipt.	\$0	\$0	\$0	\$21,571	\$54,234	\$17,191	\$0	\$0	\$0
Autos& Trucks	\$0	\$0	\$194,440	\$190,564	\$0	\$0	\$0	\$0	\$0
Impr. To Bldgs. & Grnds	\$233,446	\$0	\$0	\$0	\$0	\$0	\$0	\$10,465	\$252,989
TOTAL	\$233,446	\$0	\$194,440	\$212,135	\$54,234	\$17,191	\$0	\$10,465	\$252,989

Capital Projects Fund	2008	2009	2010	2011	2012	2013	2014	2015
Machinery & Equipt.	\$0	\$0	\$0	\$41,600	\$3,400	\$0	\$37,802	\$184,440
Autos& Trucks	\$0	\$0	\$0	\$0	\$0	\$142,534	\$465,052	\$77,134
Impr. To Bldgs. & Grnds	\$530,262	\$255,622	\$52,000	\$172,094	\$48,076	\$363,330	\$129,363	\$798,143
TOTAL	\$530,262	\$255,622	\$52,000	\$213,694	\$51,476	\$505,864	\$632,218	\$1,059,717

Expenses shifted from general fund to parks fund.....

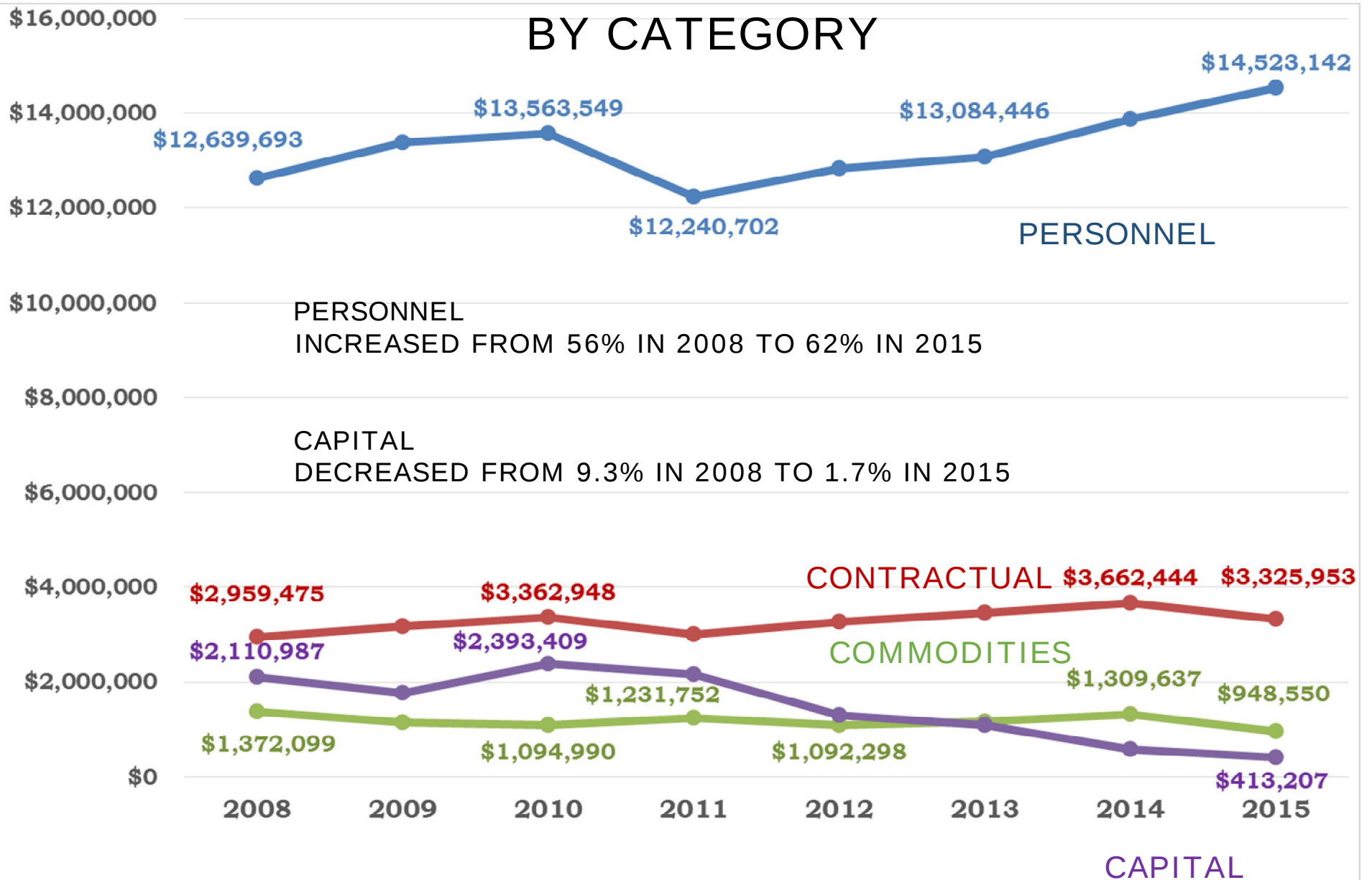
CAPITAL FUND INSIGHTS



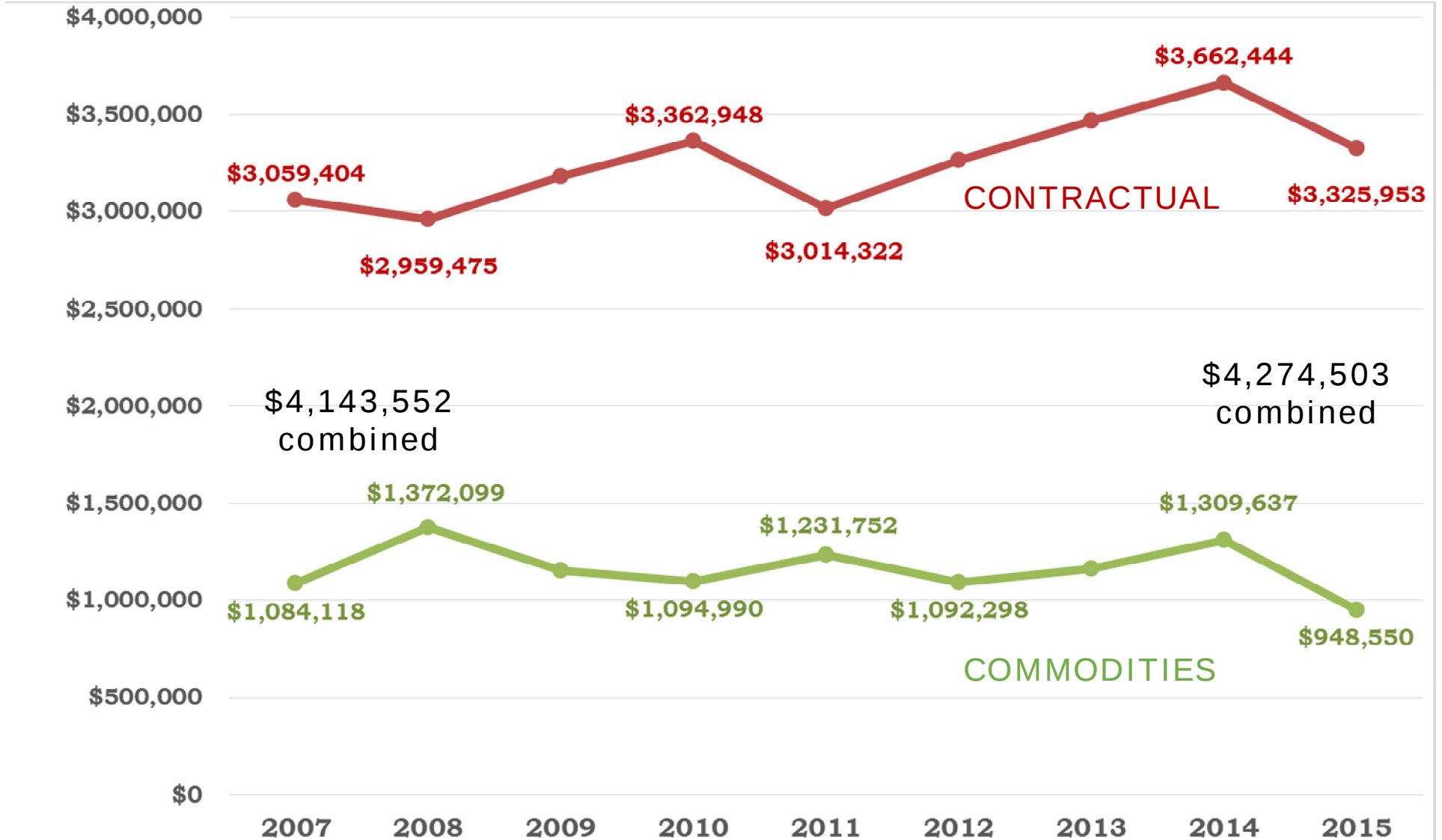
Sales tax actual performance very closely correlates with original Proposition R strategy

TARGET EXPENDITURE \$4,810,000
30 year pavement life at \$53/sq. yard

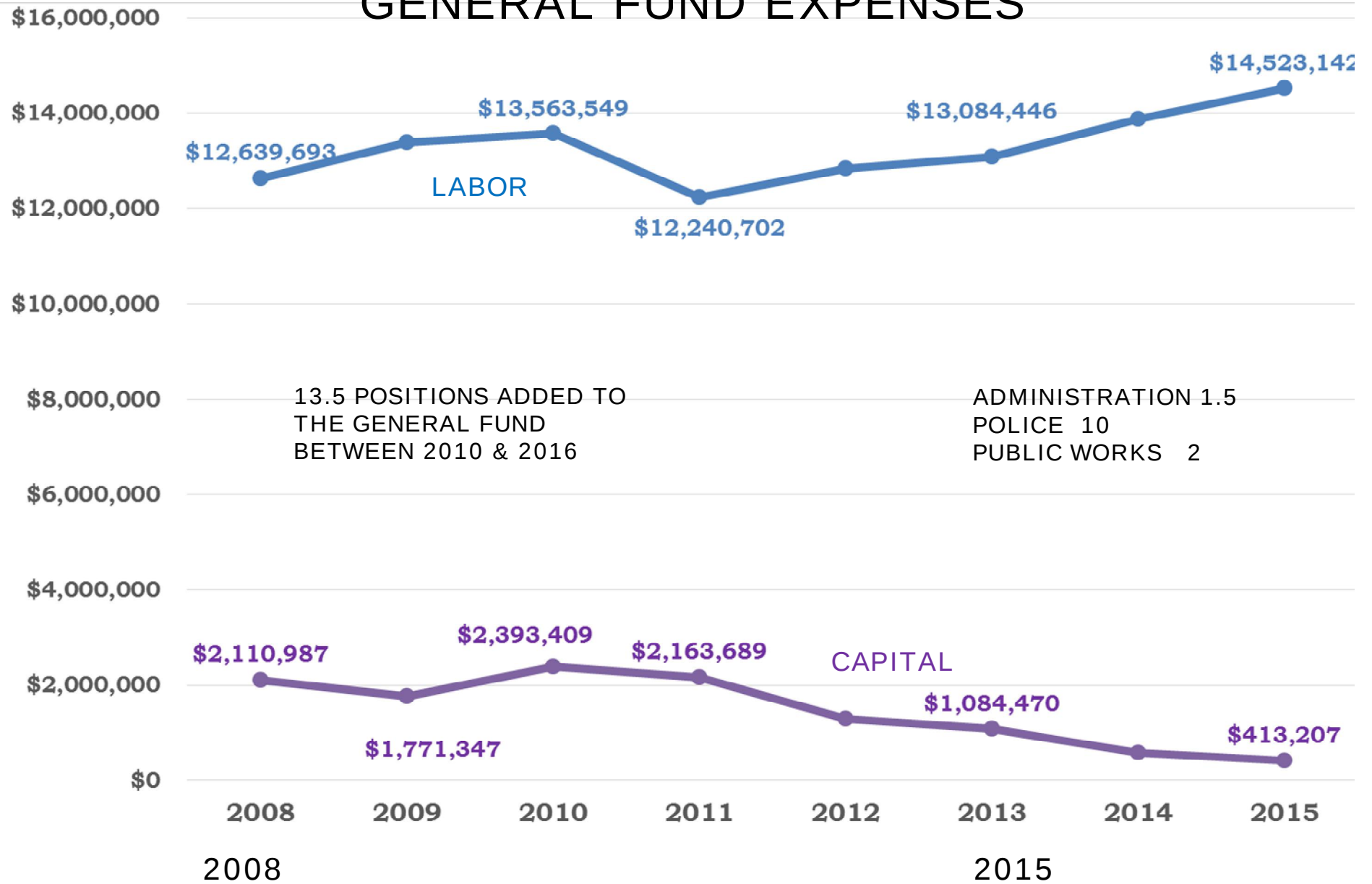
GENERAL FUND EXPENSES BY CATEGORY



GENERAL FUND EXPENSES



GENERAL FUND EXPENSES

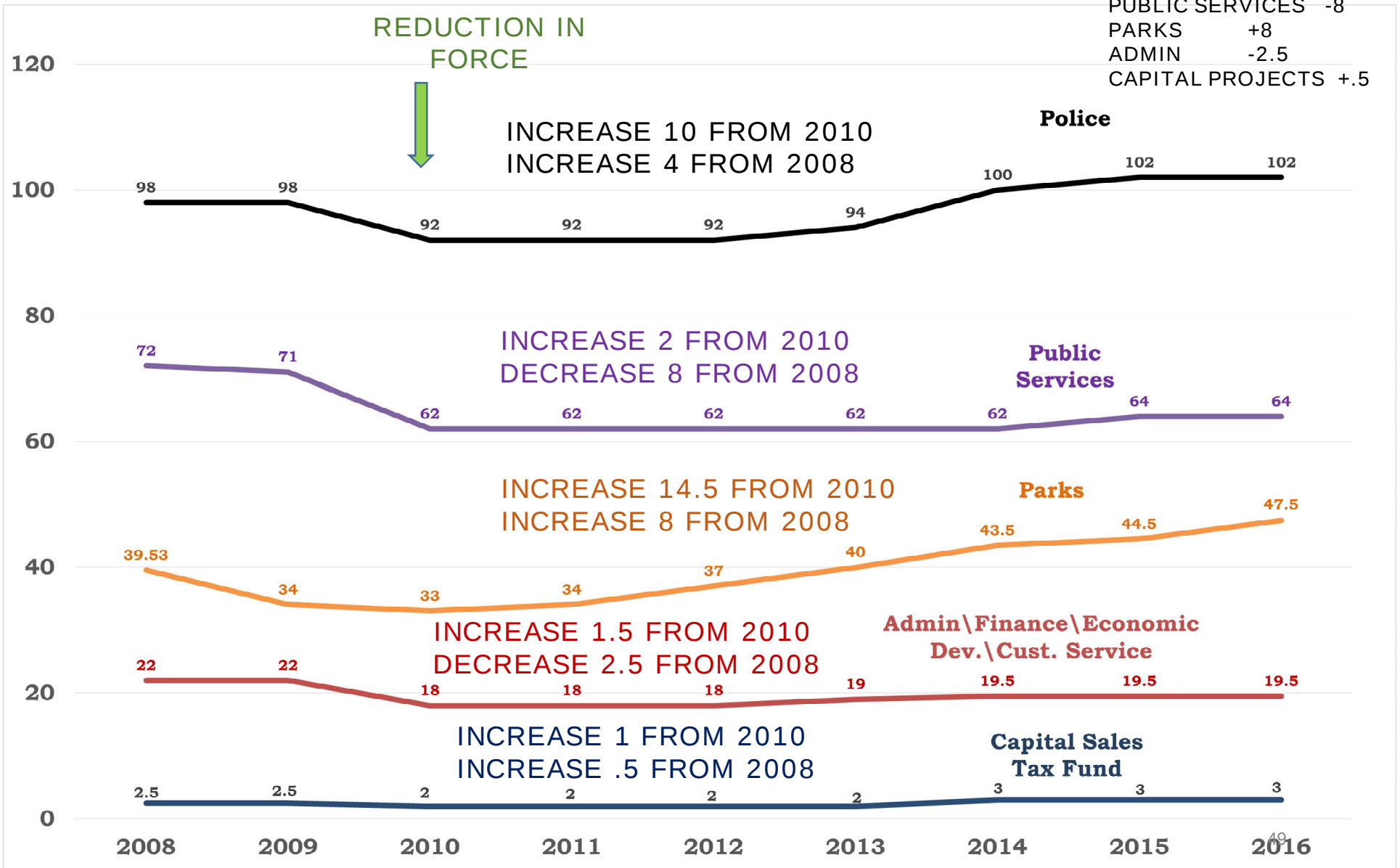


Labor 55.6% Capital - 9.2%

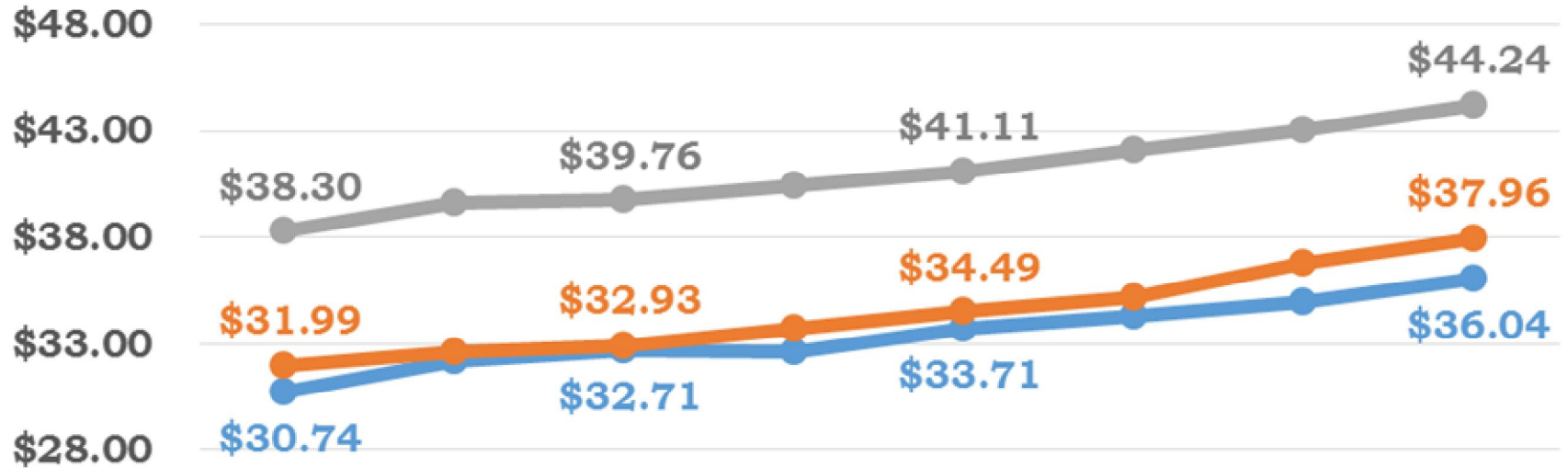
Labor 62% Capital - 1.7%

HEADCOUNT BY FUNCTIONAL DEPARTMENT

NET SINCE 2007	
POLICE	+4
PUBLIC SERVICES	-8
PARKS	+8
ADMIN	-2.5
CAPITAL PROJECTS	+.5



Total Compensation (Wages & Benefits)



AVERAGE ANNUAL INCREASE

2.47% annual increase – CHESTERFIELD

2.7% - PRIVATE INDUSTRY

2.2% - STATE & LOCAL GOVERNMENT

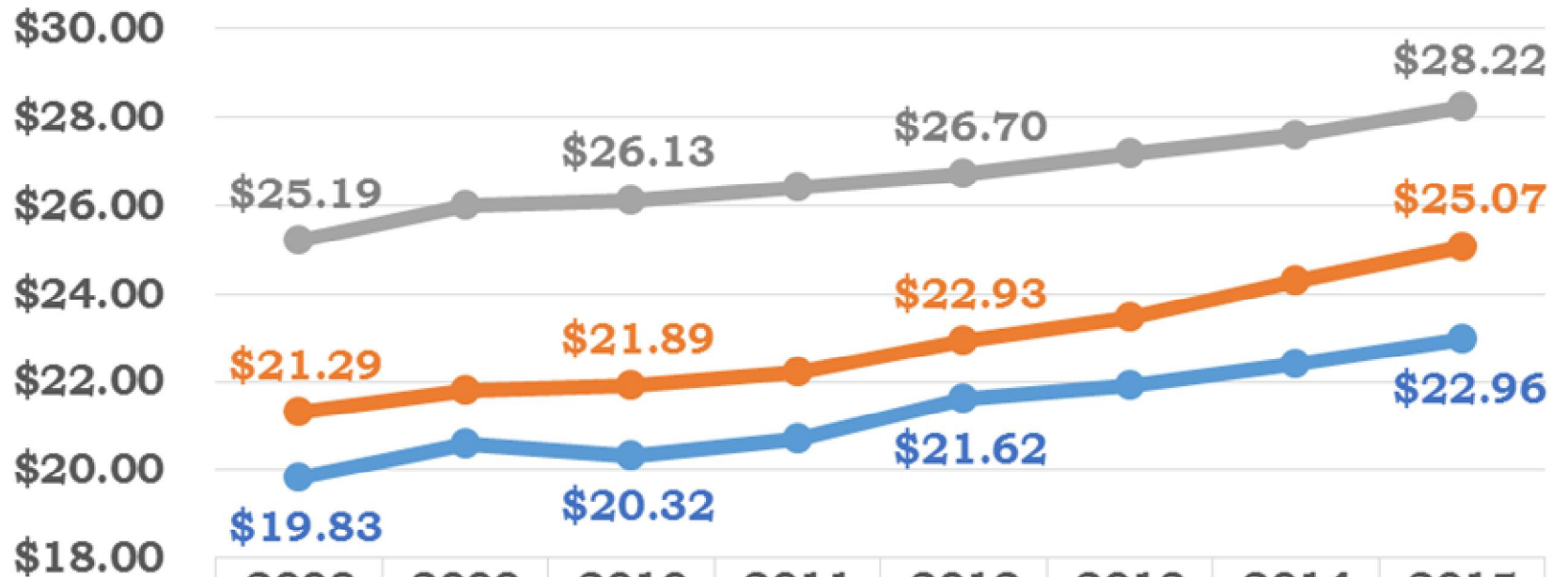
	2008	2009	2010	2011	2012	2013	2014	2015
Chesterfield	\$30.74	\$32.19	\$32.71	\$32.61	\$33.71	\$34.33	\$34.94	\$36.04
State & local gov	\$38.30	\$39.64	\$39.76	\$40.40	\$41.11	\$42.07	\$43.06	\$44.24
Private industry	\$31.99	\$32.65	\$32.93	\$33.70	\$34.49	\$35.16	\$36.75	\$37.96

—●— Chesterfield —●— State & local gov —●— Private industry

LABOR

Source: Bureau of labor statistics 2015

Hourly Wages & Salaries



	2008	2009	2010	2011	2012	2013	2014	2015
Chesterfield	\$19.83	\$20.60	\$20.32	\$20.70	\$21.62	\$21.91	\$22.41	\$22.96
State & Local Gov	\$25.19	\$26.01	\$26.13	\$26.41	\$26.70	\$27.16	\$27.58	\$28.22
Private industry	\$21.29	\$21.79	\$21.89	\$22.22	\$22.93	\$23.45	\$24.28	\$25.07

● Chesterfield
 ● State & Local Gov
 ● Private industry

AVERAGE ANNUAL INCREASE

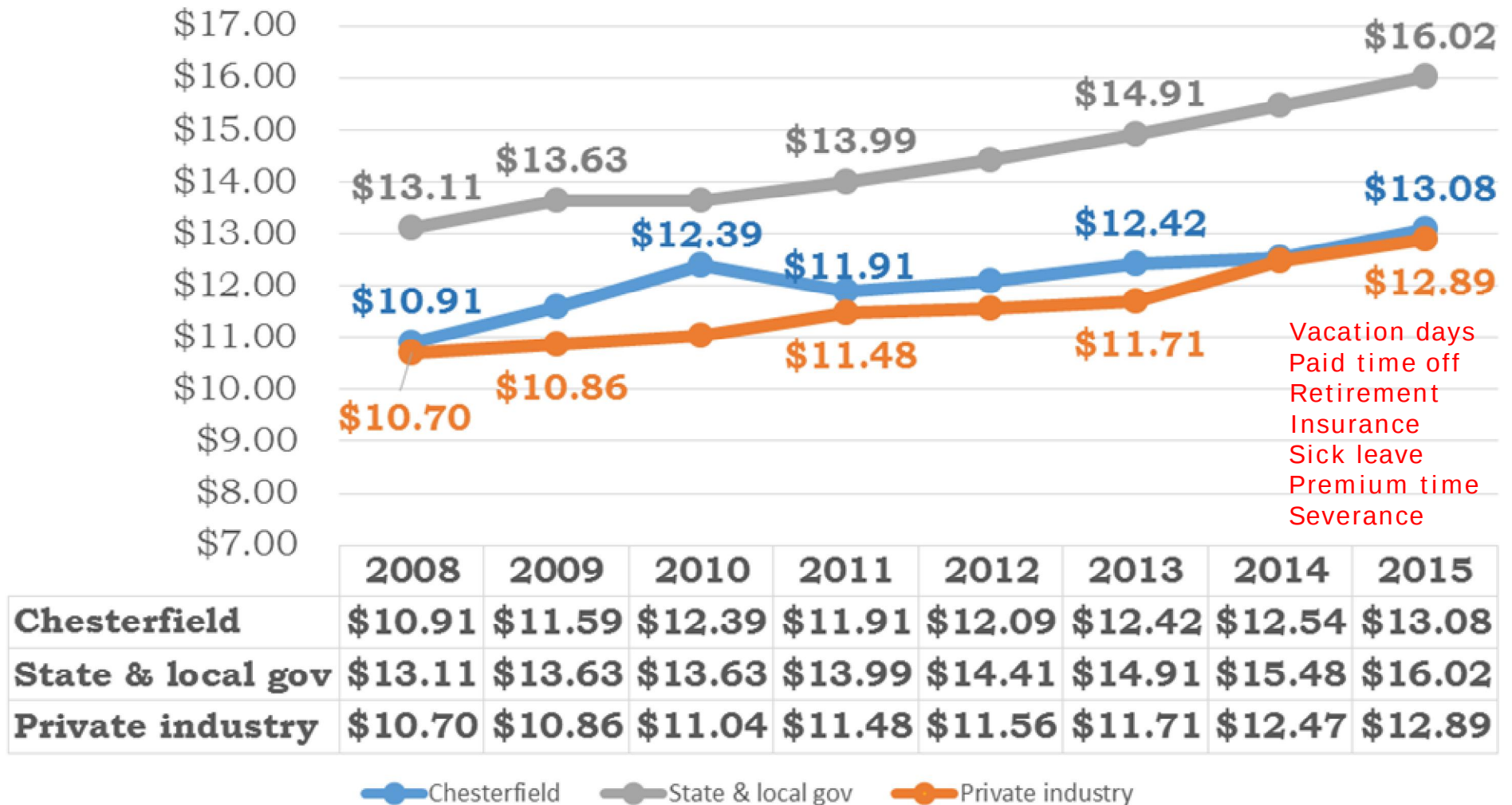
2.3% annual increase – CHESTERFIELD

2.5% - PRIVATE INDUSTRY

1.7% - STATE & LOCAL GOVERNMENT

Source: Bureau of labor statistics 2015

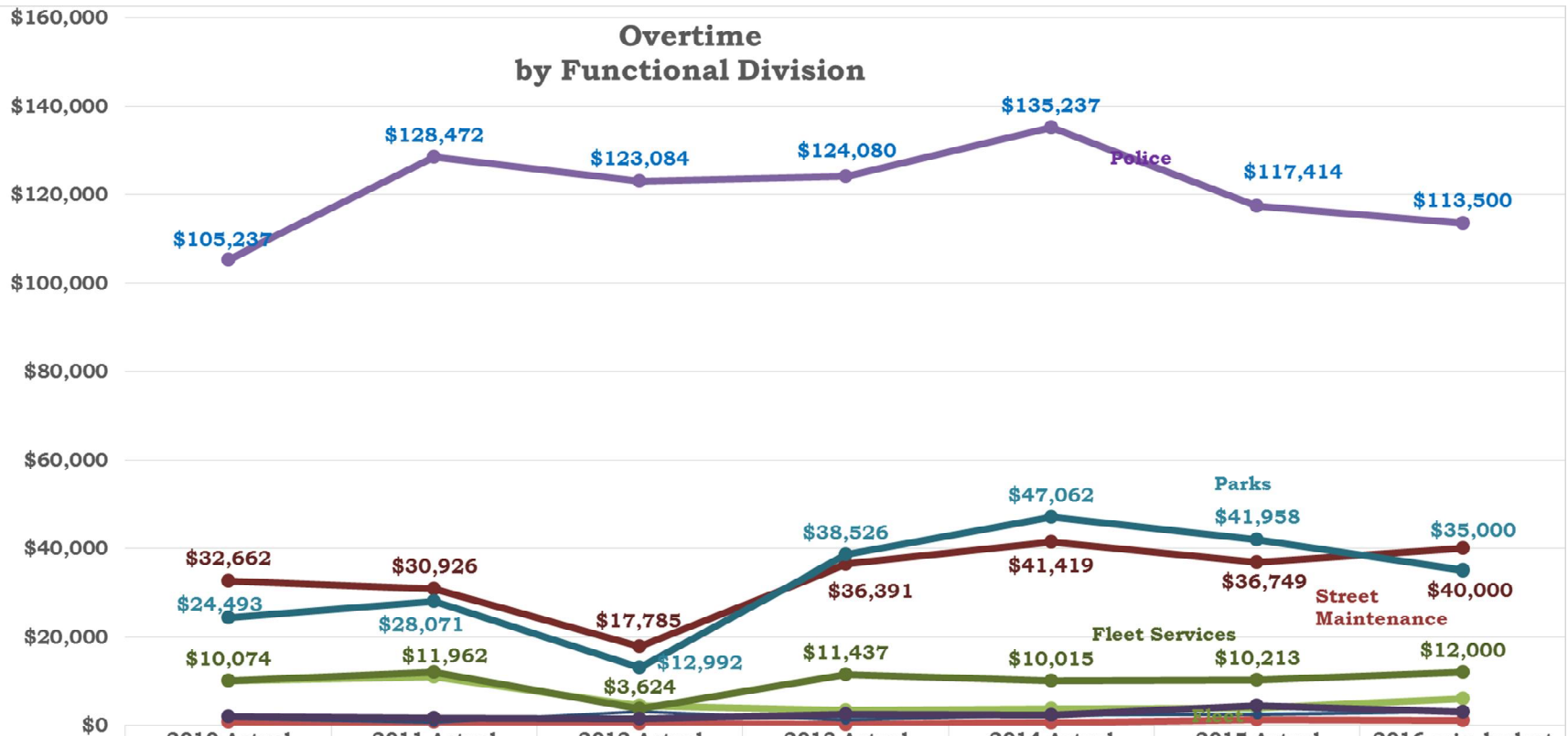
Benefits



AVERAGE ANNUAL INCREASE
 2.84 % annual increase – CHESTERFIELD
 2.92% - PRIVATE INDUSTRY
 3.17% - STATE & LOCAL GOVERNMENT

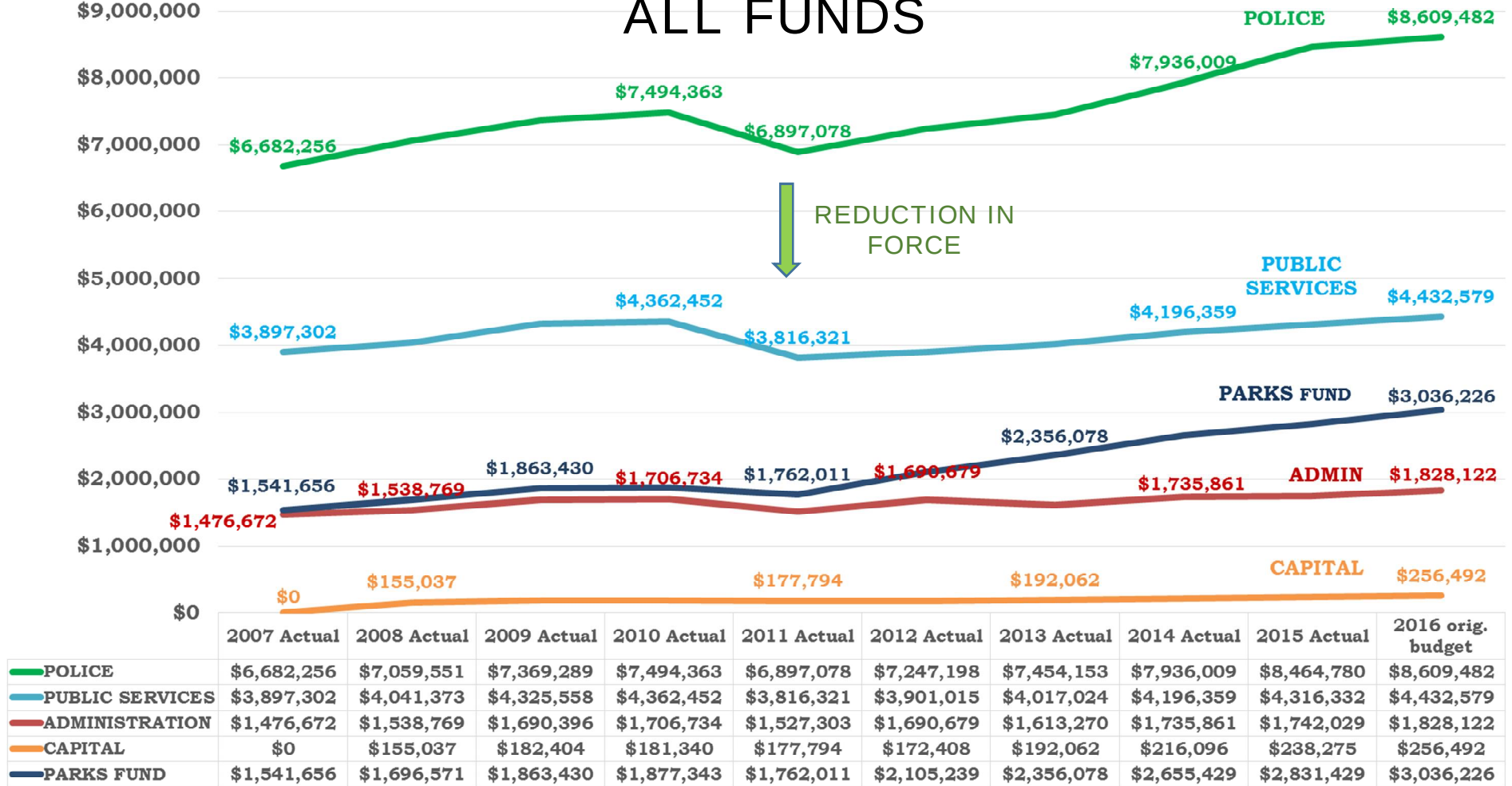
Source: Bureau of labor statistics 2015

Overtime by Functional Division



	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 orig. budget
Information Technology	\$694	\$615	\$242	\$128	\$429	\$1,143	\$1,000
Courts	\$10,099	\$11,027	\$4,421	\$3,277	\$3,660	\$3,882	\$6,000
Police	\$105,237	\$128,472	\$123,084	\$124,080	\$135,237	\$117,414	\$113,500
Planning	\$1,554	\$1,450	\$1,767	\$1,850	\$2,235	\$2,563	\$3,000
Engineering	\$1,403	\$640	\$3,050	\$1,144	\$2,322	\$2,435	\$3,000
Street Maintenance	\$32,662	\$30,926	\$17,785	\$36,391	\$41,419	\$36,749	\$40,000
Fleet Services	\$10,074	\$11,962	\$3,624	\$11,437	\$10,015	\$10,213	\$12,000
Facilities	\$1,918	\$1,618	\$1,451	\$2,481	\$2,237	\$4,390	\$3,000
Parks Operations 84	\$24,493	\$28,071	\$12,992	\$38,526	\$47,062	\$41,958	\$35,000

LABOR EXPENSE ALL FUNDS



Police	29% Increase overall	3.2% average annual
Parks	97% Increase overall	10.8% average annual
Public Services	14% Increase overall	1.5% average annual
Administration	24% Increase overall	2.6% average annual
Capital	Not applicable – no labor charged to Capital prior to 2007	



Debt Management

- Bonded indebtedness is limited by Missouri Revised Statutes to 10% of the assessed value of taxable tangible property
 - Assessed valuation - \$1,870,489,054
 - City's legal debt limit is \$187,048,905
- Current debt
 - \$7.34 million in general obligation bonds for street and sidewalk improvements outstanding. Proposition R&S
 - \$9.955 million in certificates of participation for the construction of a City Hall.
 - \$28.465 million in certificates of participation for parks projects. Proposition P
 - Certificates of participation do not count against the debt limit



Debt Service - Principal & Interest

Year	Capital Improv Sales Tax - R&S	General Fund - City Hall Debt	Parks Sales Tax Fund	Total
2016	\$1,869,400	\$1,521,901	\$2,887,561	\$6,278,862
2017	\$1,889,050	\$1,571,763	\$2,954,629	\$6,415,442
2018	\$1,937,300	\$1,597,500	\$3,008,121	\$6,542,921
2019	\$1,944,250	\$1,630,000	\$3,074,916	\$6,649,166
2020	\$0	\$1,657,500	\$3,144,554	\$4,802,054
2021	\$0	\$1,485,000	\$3,212,854	\$4,697,854
2022	\$0	\$1,025,000	\$3,296,378	\$4,321,378
2023	\$0	\$0	\$3,374,028	\$3,374,028
2024	\$0	\$0	\$3,446,128	\$3,446,128
2025	\$0	\$0	\$3,525,928	\$3,525,928
2026	\$0	\$0	\$932,528	\$932,528
2027	\$0	\$0	\$933,978	\$933,978
2028	\$0	\$0	\$936,673	\$936,673
2029	\$0	\$0	\$968,275	\$968,275
2030	\$0	\$0	\$964,350	\$964,350
2031	\$0	\$0	\$751,900	\$751,900
	\$7,640,000	\$10,488,664	\$37,412,796	\$55,541,460



Sales Tax Revenues Generated by Chesterfield For The Year Ending December 31,

Projected Total Sales Tax		\$ 1,438,626,26
State Sales Tax		
General revenue (3.00%)	\$	43,158,78
Educational Fund (1.00%)		14,386,26
Dept of Conservation (.12%)		1,798,28
Dept of Natural resources (.08%)		1,438,62
Total State Sales Tax (4.22%)		<u>60,781,96</u>
County Sales Tax		
* Local Sales Tax (1.00%)	\$6,976,044	14,386,26
Metro Sales Tax (.50%)	RETURNED TO CHESTERFIELD	7,193,13
Parks, Trails & Pool (.10%)		1,438,62
Transportation Tax (.50%)		7,193,13
Mass Transit Tax (.25%)		3,596,56
Children's Services (.25%)		3,596,56
Emergency 911 Tax (.10%)		1,438,62
Metro Parks / Arch Tax (0.18%)		2,697,42
Total County Tax (2.88%)		<u>41,540,33</u>
City of Chesterfield Sales Tax		
Parks Sales Tax (.50%)		7,193,13
** Capital Improv sales Tax (.50%)		7,193,13
Total Chesterfield Tax (1.00%)		<u>14,386,26</u>
Chesterfield Valley TDD Tax (0.30%)		<u>5,394,84</u>
Total (8.4875%)	\$	<u>122,103,40</u>

\$95,346,249
TOTAL SALES TAX
TO OTHERS

\$6,976,044
\$14,386,263
\$21,362,307

TOTAL SALES TAX
TO CHESTERFIELD



Breakdown of Property Taxes to other Districts Chesterfield

Entity:	Rate per \$100				2015 Estimated Chesterfield Tax Generation
	Residential	Commercial	Agricultural	Personal Prop	
County	0.5150	0.5130	0.4510	0.5230	\$ 9,520,261
State of Missouri	0.0300	0.0300	0.0300	0.0300	554,102
City of Chesterfield	0.0000	0.0000	0.0000	0.0000	-
Schools*:					
Rockwood	4.6015	4.6015	4.6015	4.6015	32,296,231
Parkway	4.4617	4.6796	4.3817	4.2279	51,448,301
Fire Districts**:					
Monarch	0.8060	0.9420	0.6940	1.0080	14,777,050
Metro West	1.0130	1.0720	1.0260	1.1370	1,544,462
Special School District	1.2348	1.2348	1.2348	1.2348	22,806,857
St. Louis Com. College	0.2176	0.2176	0.2176	0.2176	4,019,090
Library District	0.2460	0.2590	0.2390	0.2250	4,561,252
Sheltered Workshop	0.0880	0.0880	0.0770	0.0900	1,630,012
Metropolitan Sewer District	0.0195	0.0195	0.0195	0.0195	360,167
Metro Zoo & Museum Dist.	0.2777	0.2777	0.2777	0.2777	5,129,142
					<u>\$ 148,646,926</u>
Assessed Valuation	\$ 1,096,075,610	\$ 515,401,350	\$ 507,500	\$ 235,023,700	

\$148,646,926

TOTAL PROPERTY
TAX TO OTHERS

* Rockwood is 38% of assessed valuation and Parkway is 62% (based on 2015 assessment data)
 ** Monarch is 92% of assessed valuation and Metro West is 8% (based on 2015 assessment data)

Note: Chesterfield did not assess a property tax in 2015.

Property Taxes for assumed \$300,000 Home

Entity:	Parkway	Rockwood
County	\$293.55	\$293.55
State of Missouri	\$17.10	\$17.10
School District	\$2,543.17	\$2,622.86
Monarch Fire District	\$459.42	\$459.42
Special School District	\$703.84	\$703.84
St. Louis Com. College	\$124.03	\$124.03
Library District	\$140.22	\$140.22
Sheltered Workshop	\$50.16	\$50.16
Metropolitan Sewer District	\$11.12	\$11.12
Metro Zoo & Museum Dist.	\$158.29	\$158.29
	<u>\$4,500.89</u>	<u>\$4,580.58</u>

ASSESSED VALUATION COMPARISON

City	Assessed Valuation	DELTA
Chesterfield (B)	\$1,870,489,054	
Maryland Heights (B)	\$986,756,592	\$883,732,462
Wildwood (B)	\$961,208,864	\$25,547,728
Creve Coeur (A/B)	\$947,533,638	\$13,675,226
Clayton (A)	\$898,684,960	\$48,848,678
Kirkwood (A/B)	\$748,285,398	\$150,399,562
Ladue (A)	\$667,069,360	\$81,216,038
Ballwin (A/B)	\$624,176,775	\$42,892,585
University City (B)	\$591,655,956	\$32,520,819
Florissant (B)	\$532,526,723	\$59,129,233
Webster Groves (B)	\$528,085,043	\$4,441,680
Hazelwood (A/B)	\$518,374,287	\$9,710,756

2015 Property Tax Rates

Cities in Fire Districts					Cities in Fire Districts				
Municipality		Res Rate	Com Rate	Pers Rate	Municipality		Res Rate	Com Rate	Pers Rate
Velda City	B	2.817	2.817	2.697	Woodson Terrace	A	0.350	0.314	0.251
Northwoods	B	1.714	1.625	1.679	Pasadena Park	B	0.337	0.000	0.309
Country Club Hills	B	1.576	1.489	1.233	Pine Lawn	B	0.300	0.300	0.257
Moline Acres	B	1.400	1.400	1.400	Dellwood	B	0.270	0.300	0.235
Pasadena Hills	B	1.189	0.400	1.198	Charlack	B	0.266	0.250	0.257
Kinloch	B	1.000	1.000	1.000	Breckenridge Hills	B	0.264	0.213	0.000
Bellefontaine Neighbors	B	0.873	0.873	0.858	Beverly Hills	B	0.250	0.250	0.232
Bellerive	B	0.791	0.515	0.790	Grantwood Village	B	0.238	0.245	0.261
Greendale	B	0.552	0.362	0.000	Manchester	A/B	0.237	0.234	0.243
Black Jack	B	0.541	0.541	0.541	Vinita Terrace	B	0.221	0.235	0.000
Vinita Park	B	0.541	0.529	0.490	Winchester	B	0.216	0.174	0.261
St. Ann	A	0.515	0.480	0.193	Overland	A	0.192	0.200	0.217
Hanley Hills	B	0.500	0.500	0.450	Mackenzie	B	0.178	0.183	0.185
St. John	B	0.500	0.468	0.450	Bridgeton	A/B	0.157	0.249	0.000
Uplands Park	B	0.500	0.500	0.391	Ellisville	A/B	0.150	0.143	0.000
Velda Village Hills	B	0.500	0.500	0.378	Clarkson Valley	B	0.128	0.123	0.153
Wellston	B	0.483	0.514	0.600	Marlborough	A	0.109	0.112	0.111
Valley Park	A/B	0.476	0.636	0.570	Creve Coeur	A/B	0.069	0.074	0.000
Bel-Nor	B	0.473	0.506	0.553	Westwood	B	0.057	0.093	0.000
Hillsdale	B	0.454	0.485	0.500	Sunset Hills	A/B	0.055	0.054	0.060
Riverview	B	0.450	0.362	0.311	Edmundson	A	0.000	0.500	0.000
Glen Echo Park	B	0.447	0.088	0.500	Twin Oaks	A	0.000	0.312	0.000
Pacific	A/B	0.440	0.440	0.440	Ballwin	A/B	0.000	0.000	0.000
Normandy	B	0.400	0.400	0.400	Bella Villa	B	0.000	0.000	0.000
Eureka	A/B	0.384	0.406	0.388	Champ	B	0.000	0.000	0.000
Lakeshire	B	0.375	0.375	0.000	Chesterfield	B	0.000	0.000	0.000
Country Life Acres	B	0.372	0.370	0.420	Fenton	A/B	0.000	0.000	0.000
Calverton Park	B	0.370	0.500	0.298	Florissant	B	0.000	0.000	0.000
Sycamore Hills	B	0.369	0.368	0.368	Green Park	B	0.000	0.000	0.000
Bel-Ridge	B	0.350	0.350	0.000	Maryland Heights	B	0.000	0.000	0.000
Cool Valley	A	0.350	0.350	0.165	Norwood Court	B	0.000	0.000	0.000
Pagedale	B	0.350	0.350	0.350	Wilbur Park	B	0.000	0.000	0.000
					Wildwood	B	0.000	0.000	0.000

Type		Assessed Valuation		Estimated Tax Generation @ 25 cents
Residential		\$1,097,102,390		\$2,742,756
Commercial		\$516,251,310		\$1,290,628
Agricultural		\$507,500		\$1,269
Personal Property		\$238,965,549		\$597,414
Total		\$1,852,826,749		\$4,632,067

\$.25 COSTS ROUGHLY \$140 ANNUALLY/ \$300k RESIDENCE

CONCLUSIONS:

General Fund

Revenues and Expenses have actually decreased since 2008

Revenues decreased \$893,737, -3.9% overall or -.49% average annually

Expenses decreased \$585,379, -5.9% overall, or -.74% average annually

Expenditures have DECREASED AT A FASTER RATE THAN REVENUES (Good)

Utilities taxes have decreased -11.7% since 2008 - \$ 959,210

Sales Taxes have increased +14.4% since 2008 + \$ 878,677

Electric revenues have increased +54.6% since 2008 + \$1,381,675

No revenue spike related to rate increase

Telephone revenues decreasing -56% since 2008 - \$2,055,864

Benefits and Wages expenditures have been restrained and increased slower than peer indices
Since 2008:

Wages increased at 2.3% annually, less than private sector

Benefits increased 2.84% annually, less than private sector

Total Labor expenses (wages and benefits) have increased 3.7% annually since 2007

Including impact of force reduction of 2010

Including Parks Expansion from Proposition P

The most significant driver of labor increases has been Headcount, not wages or benefits

Total Headcount since 2007:

Capital Projects +0.5

Public Services -8.0

Administration -2.5

Police +4.0

Parks +8.0

Capital Projects Fund

General Fund

General Fund

General Fund

Parks Fund

CONCLUSIONS (CONTINUED):

General Fund

Non-Personnel related expenditures have actually declined since 2007:

<u>2007</u>	<u>2015</u>	<u>DELTA</u>
\$4,943,051	\$4,658,503	\$284,548
29.8% of total	24.9% of total	4.9%

Discretionary spending has been steadily decreasing since 2007, not only in real terms, but in un-adjusted, uninflated dollars.

There exists an endless list of Identified One Time Capital Projects

Needs, Wants, Wishes, and Thoughts

Perhaps need to formalize list for F&A

The City of Chesterfield Generates more than \$95 million in sales taxes to “others”
Not including TDD generated funds

The City of Chesterfield is highly dependent on Sales Tax
Sales Tax comprises roughly half of the City's revenues

The City of Chesterfield has the highest assessed valuation of any metro community
\$1,870,489,054 (\$883,732,462 more than the 2nd highest)

The City of Chesterfield Generates more than \$148 million in property taxes to “others”

The City of Chesterfield retired its only property tax in 2014, early payoff of Parks Bonds

The City of Chesterfield receives no municipal property tax

CONCLUSIONS (CONTINUED):

General Fund

It is critically important to separate fund reserves from operational revenues

A healthy fund reserve allows for the funding of one-time projects and/or activities

Annual Operational Revenues fund ongoing programs, amenities, and activities

The City has NO excess annual operating revenues to fund new or expanded programs, projects, maintenance or activities unless they are revenue positive or are offset by existing funded programs.

CONCLUSIONS (CONTINUED):

Capital Projects Fund

The Capital Projects Sales Tax generates adequate sales tax funding to fund street reconstruction as was planned and proposed with Proposition R.

There has been an intentional and aggressive transfer of expenses from the General Fund To both the Capital Projects Fund and Parks Fund

Those transfers are not sustainable going forward.

The General Fund has an obligated floor of \$3.6 Million restricted for Road and Bridge Purposes. Continued transfers of General Fund expenses are legally limited.

The Capital Projects fund receives adequate sales tax funding to fund street reconstruction as was planned and proposed with Proposition R.

The transfer of expenses to the Capital Projects fund has reduced the funds available for street reconstruction below the amount necessary to maintain the streets in a steady state Condition.

If Council elects to continue the current practice of transfers, The “PAY AS YOU GO” strategy is no longer feasible and street conditions will gradually degrade, resulting in formulation of a future debt issuance.

CONCLUSIONS (CONTINUED):

Capital Projects Fund

There has been an intentional and aggressive transfer of expenses from the General Fund
To both the Capital Projects Fund and Parks Fund

Those transfers are not sustainable going forward.

The expenses transferred to the Parks Fund is unsustainable because:

- 1) The 2016 Parks budget exceeds revenues by \$334,655
- 2) The Parks Fund debt services increases \$638,367 in the next 9 years
- 3) The combined new liability is **\$973,022**, to maintain programs and services at current levels without addressing inflation.

Without any new transfers of expenditures, the Parks Fund has to have \$1 million in additional revenues to keep doing what we are doing today.

Without consideration of inflation and increased pricing.

Options are:

- Add Revenues
- Reduce programs
- Reduce activities
- Reduce services

All while concurrently trying to improve productivity and efficiency.

QUESTIONS?



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