



Finance
Committee of
the Whole-
Budget
Discussion 3
2019



Preliminary Budget Review
3rd meetings

1. Review 4 major funds, General, Parks, Capital, Public Safety
2. Discuss Merit Increase budget
3. Identify issues & concerns



2019 Additional Information and Discussion

AS CURRENTLY DRAFTED:

OPERATIONAL BUDGET SURPLUS: \$1,498,946

GENERAL FUND

PROJECTED END OF YEAR 12/31/2019

GENERAL FUND AMOUNT 40% RESERVE POLICY: \$3,309,393

LIQUID ASSETS OVER 40% RESERVE POLICY: \$1,654,183

POTENTIAL 2019 GF RESERVE PROJECTS

SNOW REMOVAL REIMBURSEMENT - \$160,000

EMERALD ASH BORER (WITH REDUCTION) - \$438,000

SUB-TOTAL ~ \$600,000

IF COUNCIL DESIRES TO TRANSFER FUND RESERVE AMOUNTS OVER 40% TO PREPAY DEBT, WE RECOMMEND THAT IT BE LIMITED TO NOT MORE THAN \$1 MILLION.

PARKS FUND

PROJECTED END OF YEAR 12/31/2019 \$2,631,775

PARKS FUND AMOUNT 40% RESERVE POLICY: \$ 259,183

SIMILARLY, IF COUNCIL DESIRES TO TRANSFER FUND RESERVE AMOUNTS FROM THE PARKS FUND, WE RECOMMEND THAT IT BE LIMITED TO NOT MORE THAN \$1 MILLION AT THIS TIME.



EFFECTIVE Debt Service - Principal & Interest INCLUDES PREPAID DEBT TRANSFERS IN

Year	Capital Improv Sales Tax - R&S	General Fund - City Hall Debt	Parks Sales Tax Fund	TOTAL
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	\$1,884,819	\$1,630,000	\$3,008,121	\$6,522,940
2020	\$0	\$1,657,500	\$3,008,121	\$4,665,621
2021	\$0	\$1,485,000	\$3,008,121	\$4,493,121
2022	\$0	\$0	\$3,008,121	\$3,008,121
2023	\$0	\$0	\$3,008,121	\$3,008,121
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
	\$5,711,169	\$7,941,763	\$33,463,112	\$47,116,044

STAFF IDENTIFIED POTENTIAL ADDITIONAL
ONE TIME REDUCTIONS

GENERALLY NON-REPEATABLE

ADDITIONAL POTENTIAL REDUCTIONS,
PLEASE NOTE THE ONE TIME OPPORTUNITIES

General Fund - 001

036 Central Services

5262 Public Relations		
Reduce request from \$6,000 to \$4,000		
	REDUCTION	\$2,000
5277 Training & Continuing Education		
Reduce request from \$16,700 to \$14,700		
	REDUCTION	\$2,000

051 City Administrator

5249 Memberships & Subscriptions		
Eliminate \$100 Council of Shopping Centers		
Eliminate Economic Development Council		
Eliminate Value retail news		
	REDUCTION	\$620

071 Engineering

5261 Professional Services		
Reduce Transportation Modeling		
One year reduction only due to funding the comprehensive plan and traffic demand model since demand model is updated in 2018		
	REDUCTION	\$4,000

072 Street and Sewers

5313 Departmental Supplies		
Reduce concrete materials		
One year reduction only due to funding the EAB program and cumulative purchase order savings. Total amount will have to be restored in future years. \$60,000		
Reduce aggregate materials		
One year reduction only due to funding the EAB program and cumulative purchase order savings. Total amount will have to be restored in future years. \$10,000		
	REDUCTION	\$70,000

SUB -TOTAL GENERAL FUND OPERATIONAL REDUCTION \$78,600

GENERAL FUND – FUND RESERVE REQUEST

Draws on General Fund - Fund Reserves

Reduce EAB program request from normal \$538,000 to \$438,000,

One year reduction only due to reduced tree replacement requests and cumulative purchase order savings. \$100,000

SUB -TOTAL GENERAL FUND RESERVE SAVINGS \$100,000

PUBLIC SAFETY\PROP P FUND 121

121 - 041 Public Safety

5247 Maintenance & Repair of Equipt.

Reduce \$2,000 for Taser repair \$2,000

Reduce \$1,000 for firearm repair \$1,000

5261 Professional Services

City council has yet to determine whether to fund a second deer census

Deer Census \$8,000

5313 Departmental Supplies

Ammunition - Trade in of 40 Cal. \$6,000

Since City Council authorized the purchase of new sidearms with forfeiture funds, the City is able to trade in its existing cache of ammunition, and the new 9 mm ammunition is less expensive. Since this savings represents a one-time trade in allowance, it is not a repeatable annual savings and is a one-year reduction only.

SUB -TOTAL PUBLIC SAFETY SAVINGS \$17,000

(PUBLIC SAFETY FUND SAVINGS DIRECTLY REDUCES GENERAL FUND TRANSFER IN THE SAME AMOUNT)

TOTAL GENERAL FUND REDUCTION OPPORTUNITY \$195,600

PARKS FUND

Parks Fund 119

119-084 Parks and Recreation

5251 Miscellaneous Contractual

Transfer \$10,000 from the Tree Preservation Account to fund the \$10,000 budget request for Tree and bush replacement (will still spend \$10,000, but will utilize recent deposits to the Tree Preservation Account for developer mitigation for funding. In essence, this increases the incoming revenues one time by \$10,000)

Expense the tree and bush replacement from the Tree preservation account, which is funded by developer contributions. \$10,000

Delete the \$3,000 for Concert funds, previously for Chamber

These funds were not originally requested by staff and can be deleted from the draft budget proposal. \$3,000

119 - 5313 Departmental Supplies

Reduce the \$432,500 request to \$422,500.
\$10,000

119 - 085 Arts and Entertainment

5313 Departmental Supplies

Reduce the \$225,001 request to \$205,001.
\$20,000

119 - 087 CVAC Concessions

5313 Departmental Supplies

Reduce the \$309,700 request to \$304,700.
\$5,000

TOTAL ADDITIONAL SAVINGS TO PARKS FUND \$48,000

TOTAL CUMULATIVE ADDITIONAL POTENTIAL SAVINGS FROM DRAFT PROPOSED BUDGET

GENERAL FUND OPERATIONS	\$ 78,600
GENERAL FUND - FUND RESERVES	\$100,000
PUBLIC SAFETY FUND	\$ 17,000
PARKS FUND	<u>\$ 48,000</u>
TOTAL	\$243,620

2019 Budget – Major Funds as of October 18, 2018

		2017 Actual Amount	2018 Amended Budget	2018 Projected Amount	2019 Budget
General Fund Summary	Revenue	\$ 21,943,092	\$ 22,271,899	\$ 22,261,790	\$ 20,475,966
	Capital	(562,061)	(136,100)	(28,000)	(325,102)
	Commodities	(860,031)	(1,189,810)	(956,852)	(865,480)
	Contractual	(3,572,471)	(3,482,736)	(3,261,868)	(2,597,761)
	Personnel	(14,564,586)	(6,302,001)	(6,230,501)	(6,329,992)
	Net Transfers In (Out)	(3,671,932)	(12,850,331)	(12,850,331)	(9,109,684)
	Net	\$ (1,287,990)	\$ (1,689,079)	\$ (1,065,762)	\$ 1,247,947
Parks Fund Summary	Revenue	\$ 8,868,193	\$ 8,907,329	\$ 8,834,638	\$ 8,991,655
	Capital	(409,880)	(63,793)	(63,793)	(163,500)
	Commodities	(1,249,742)	(1,235,336)	(1,226,436)	(1,212,700)
	Contractual	(1,356,570)	(1,441,523)	(1,416,890)	(1,282,843)
	Personnel	(2,971,241)	(3,158,863)	(3,144,741)	(3,221,686)
	Net Transfers In (Out)	(3,031,521)	(3,018,121)	(2,962,479)	(3,009,914)
	Net	\$ (150,762)	\$ (10,307)	\$ 20,299	\$ 101,012
Capital Fund Summary	Revenue	\$ 10,472,346	\$ 8,050,766	\$ 8,050,766	\$ 5,973,114
	Capital	(7,533,708)	(5,794,943)	(5,713,613)	(3,195,401)
	Commodities	-	-	-	-
	Contractual	(465,924)	(1,275,811)	(1,101,000)	(415,001)
	Personnel	(293,351)	(305,295)	(305,295)	(328,411)
	Net Transfers In (Out)	(1,889,050)	(3,489,515)	(3,489,515)	(1,885,169)
	Net	\$ 290,313	\$ (2,814,798)	\$ (2,558,657)	\$ 149,132
Public Safety Summary	Revenue	\$ -	\$ 3,134,560	\$ 3,347,402	\$ 3,362,457
	Capital	-	(630,524)	(626,751)	(25,201)
	Commodities	-	(387,722)	(388,111)	(381,899)
	Contractual	-	(729,466)	(734,978)	(777,539)
	Personnel	-	(9,762,877)	(9,761,876)	(9,653,302)
	Net Transfers In (Out)	-	8,376,029	8,164,314	7,475,484
	Net	\$ -	\$ -	\$ -	\$ -



All Fund Summary

	Major Funds	Special Purpose Funds
Fund Total: 001 - General Fund	\$1,247,946.00	
Fund Total: 110 - Sewer lateral fund		\$0.00
Fund Total: 111 - Chesterfield Valley TIF Fund		(\$351,383.00)
Fund Total: 114 - Police forfeiture fund		(\$106,288.00)
Fund Total: 119 - Parks sales tax	\$101,011.00	
Fund Total: 120 - Capital improvement sales tax	\$149,132.00	
Fund Total: 121 - Public Safety/Prop P	\$0.00	
Fund Total: 400 - Debt service Parks 1998		\$500.00
Fund Total: 405 - Debt service R&S I		(\$59,431.00)
Fund Total: 420 - COPs 2004 City Hall		\$0.00
Fund Total: 422 - COPs 2005 Parks		\$0.00
Fund Total: 424 - 2008 Parks Phase II Certificate		\$0.00
Fund Total: 428 - COPS 2014		(\$75,002.00)
Grand Totals:	\$1,498,089.00	(\$591,604.00)

Section 3. Determination of Annual Budget for Performance Based (Merit) Increases

The Finance and Administration Committee of Council will annually make a recommendation to the full City Council with regard to what amount to budget for performance based compensation adjustments in the upcoming budget. Staff will provide information to the Finance and Administration Committee including but not limited to; CPI, Cost of Labor indexes, and City Revenues such that the Committee can provide the recommendation for the value of the merit pool budget.

Should the City Council elect to fund an annual merit increase, the amount allocated to the annual budget will be based on the following, and any other factors the Council chooses to consider.

- A) A percentage stipulated and approved by City Council based upon CPI, economic factors, and revenues available to the City.
- B) Actual salaries of all current and eligible employees who were on the payroll as of September 1 of current year. This will exclude the salaries of employees who are at the maximum of the range for their job position, but may include a dollar sum adjustment to account for employees who may be near the maximum salary for their respective range and otherwise eligible for less than the approved percentage that has been allocated to the annual budget.
- C) It is anticipated that any merit increase dollars not used for employees who may have left the payroll prior to September 1 of the following year will be sufficient to allow and award partial year increases for those employees who may join the payroll after September 1 of the current year.
- D) There will be no allocation made for vacant positions as of September 1st of the current year or positions that are forecast to be vacant or eliminated. A dollar figure will be calculated based upon the above criteria, and this amount will be forwarded to the City Council as a recommended value to be included in the proposed budget.



2019 Merit Pool Personnel Cost Comparison*

		2018 Adopted Budget	2019 Budget	Percentage Increase (Decrease)
Fund:	001 - General Fund			
	Division Total: 011 - Legislative	\$65,303.00	\$66,143.00	1.29%
	Division Total: 031 - Customer Service	\$105,284.00	\$91,890.00	-12.72%
	Division Total: 034 - Finance	\$518,617.00	\$555,292.00	7.07%
	Division Total: 036 - Central Services	\$85,217.00	\$0.00	
	Division Total: 037 - Information Technology	\$552,775.00	\$575,016.00	4.02%
	Division Total: 038 - Municipal Court	\$201,398.00	\$206,013.00	2.29%
	Division Total: 041 - Police	\$9,762,877.00	\$0.00	
	Division Total: 051 - City Administrator	\$541,623.00	\$473,375.00	-12.60%
	Division Total: 061 - Planning	\$702,763.00	\$741,459.00	5.51%
	Division Total: 071 - Engineering	\$812,417.00	\$823,096.00	1.31%
	Division Total: 072 - Street Maintenance	\$1,864,118.00	\$1,875,644.00	0.62%
	Division Total: 073 - Vehicle Maintenance	\$397,345.00	\$400,105.00	0.69%
	Division Total: 076 - Facility Maintenance	\$455,141.00	\$521,959.00	14.68%
Fund:	119 - Parks sales tax			
	Division Total: 084 - Parks and Recreation	\$2,832,059.00	\$2,721,993.00	-3.89%
	Division Total: 085 - Arts and Entertainment	\$0.00	\$167,297.00	
	Division Total: 087 - CVAC Concession	\$307,497.00	\$309,606.00	0.69%
	Division Total: 088 - Central Park - Concession	\$19,307.00	\$22,790.00	18.04%
Fund:	120 - Capital improvement sales tax			
	Division Total: 079 - Capital Projects	\$262,295.00	\$328,411.00	25.21%
Fund:	121 - Public Safety/Prop P			
	Division Total: 041 - Police	\$0.00	\$9,653,302.00	
	Grand Totals:	\$19,486,036.00	\$19,533,391.00	0.24%

*Pre-Merit Increases



2019 Merit Pool Information

Council Policy Information:
CPI June 2018
2.5%

Table A. Midwest region CPI-U 1-month and 12-month percent changes, all items index, not seasonally adjusted

Month	2014		2015		2016		2017		2018	
	1-month	12-month	1-month	12-month	1-month	12-month	1-month	12-month	1-month	12-month
January	0.5	1.4	-0.6	-0.3	0.3	0.8	0.7	2.2	0.6	1.6
February	0.6	0.9	0.3	-0.5	0.0	0.4	0.2	2.4	0.2	1.7
March	0.9	1.5	0.6	-0.9	0.6	0.5	0.1	1.9	0.2	1.8
April	0.3	1.9	0.1	-1.1	0.4	0.8	0.4	1.8	0.4	1.8
May	0.2	1.6	0.4	-0.8	0.4	0.8	0.0	1.4	0.5	2.3
June	0.5	1.7	0.5	-0.7	0.6	0.8	0.0	0.9	0.2	2.5
July	-0.3	1.8	0.0	-0.5	-0.5	0.4	0.0	1.3	0.0	2.4
August	-0.2	1.6	0.0	-0.3	0.1	0.6	0.3	1.5	0.0	2.1
September	0.1	1.6	-0.3	-0.8	0.2	1.1	0.3	1.5		
October	-0.5	1.6	-0.1	-0.3	-0.1	1.0	-0.2	1.5		
November	-0.6	1.2	-0.5	-0.2	-0.3	1.2	0.2	1.9		
December	-0.7	0.7	-0.6	0.0	0.1	1.8	-0.2	1.7		

Other Information:
Surrounding Communities
Merit Increase Budget

- Ballwin – 4%
- Creve Coeur - 3%
- Des Peres - 2.5%
- Ellisville - 3%
- Town and Country - 3%
- St. Charles - 2.5%
- Webster Grove - 1.5%+1.5%



2019 FOP Merit Increases (per contract)

FOP Pool Total
\$5,860,620

	<u>2019 Budget Impact of Merit Pool (Salaries)</u>	<u>2019 Budget Impact of Merit Pool (Loaded Cost)</u>	<u>12 Month Impact of Merit Pool (Salaries)</u>	<u>12 Month Impact of Merit Pool (Loaded Cost)</u>
FOP per contract	71,725.40	82,950.42	143,450.79	165,900.84



2019 Non-FOP Merit Pool

Pool Total*
\$7,287,071

	2019 Budget Impact of Merit Pool (Salaries)		2019 Budget Impact of Merit Pool (Loaded Cost)		12 Month Impact of Merit Pool (Salaries)		12 Month Impact of Merit Pool (Loaded Cost)	
0.5%	\$	19,036	\$	22,015	\$	38,071	\$	44,029
1.0%	\$	38,060	\$	44,016	\$	76,120	\$	88,033
1.5%	\$	57,085	\$	66,018	\$	114,169	\$	132,037
2.0%	\$	75,786	\$	87,647	\$	151,573	\$	175,294
2.5%	\$	94,004	\$	108,716	\$	188,008	\$	217,431
3.0%	\$	112,222	\$	129,784	\$	224,443	\$	259,569
3.5%	\$	130,439	\$	150,853	\$	260,879	\$	301,706

*Pool Calculated using 09/01/2018 actual filled positions, adjusted for employees under 1 year and any employees near top of grades



2019 Cumulative Cost of Merit Pool

CUMULATIVE COST GENERAL EMPLOYEES AND FOP EMPLOYEES

	2019 Budget Impact of Merit Pool (Salaries)	2019 Budget Impact of Merit Pool (Loaded Cost)		12 Month Impact of Merit Pool (Salaries)	12 Month Impact of Merit Pool (Loaded Cost)
0.5%	\$90,761	\$104,965		\$181,522	\$209,930
1.0%	\$109,785	\$126,967		\$219,571	\$253,934
1.5%	\$128,810	\$148,969		\$257,620	\$297,938
2.0%	\$147,512	\$170,597		\$295,024	\$341,195
2.5%	\$165,729	\$191,666		\$331,459	\$383,332
3.0%	\$183,947	\$212,735		\$367,894	\$425,470
3.5%	\$202,165	\$233,804		\$404,330	\$467,607

* Actual salaries of all current and eligible employees who were on the payroll as of September 1 of current year. This will exclude the salaries of employees who are at the maximum of the range for their job position, but may include a dollar sum adjustment to account for employees who may be near the maximum salary for their respective range and otherwise eligible for less than the approved percentage that has been allocated to the annual budget.