



Finance
Committee of
the Whole
Budget
Workshop #2
2020



2020 Budget Workshop #2

Revenues are increasing (Net \$557,156):

General Fund revenues up \$728,752

Pooled sales tax reduced <\$277,033>

Public Safety revenues are up \$233,950

not including transfers in from GF

Parks Fund revenues are down \$111,610*

Sales Taxes reduced <\$352,553>

Capital Projects Fund revenues are down \$293,936*

Sales Tax reduced <\$293,936>

* Reflects Staff conservative projection of zero sales tax growth from 2019 end of year projections, which were \$352,553 and \$293,936 less than 2019 original budget.



Workshop #2 2020 Budget Notes

Net Revenue over Expenses of \$1,671,834

- General Fund \$1,667,775 Revenues exceed Expenditures
- Parks Fund \$76,153 Revenues exceed Expenditures
- Public Safety Fund \$0 Revenues equal Expenditures (by Fund definition)
- Capital Projects Fund **\$72,094** Expenditures exceed Revenues

Four Major Funds

- Revenues \$557,156 over 2019 original
- Expenses \$764,398 over 2019 original (\$750,000 in one time savings for 2019)

Revenues increasing \$557,156

- General Fund - \$728,752 over 2019 original
- Public Safety - \$233,950 over 2019 original
 - Not including GF Transfers
- Parks Fund **\$111,610** below 2019 original
- Capital Projects - **\$293,936** below 2019 original

Expenditures increasing

- General Fund - \$291,786 over 2019 original
- Public Safety - \$617,206 over 2019 original
- Parks Fund - **\$68,263** below 2019 original
- Capital Projects - **\$76,331** below 2019 original

- The 2020 budget submission already includes 2.43% and 2.51% compensation increases for FOP Officers & Sergeants respectively.
- Merit pool yet to be included for NON-FOP employees
- Includes additional personnel: Parks Facility Attendant and Code Enforcement Inspector

2020 Budget Assumptions

EFFECTIVE DEBT SCHEDULE

Effective Debt Service - Principal & Interest (7/1/2019)			
Year	General Fund - City Hall Debt	Parks Sales Tax Fund	
2020	\$1,073,870	\$2,984,200	
2021	\$1,073,870	\$2,984,200	
2022	\$0	\$2,984,200	
2023	\$0	\$2,984,200	
2024	\$0	\$2,984,200	
2025	\$0	\$2,984,454	
2026	\$0	\$932,528	
2027	\$0	\$933,978	
2028	\$0	\$936,673	
2029	\$0	\$968,275	
2030	\$0	\$964,350	
2031	\$0	\$751,900	

- 1) Pay off the final year of City Hall debt (2022)
- 2) Use pre-paid funds to provide uniform annual debt service

General Fund
 Schedule of Fund Reserves
 December 31, 2019

9/24/2019 12:16

12/31/18 General Fund Reserves		\$ 11,829,832
FY2019 Amended General Fund Budgeted Activity		\$ 1,011,494
Correction of 2018 Prepaid Debt Service Transfer & 2019 Budget correction		\$ (1,775,080)
Projected Public Safety Revenues in excess of Budget		\$ 238,000

Projected 12/31/19 General Fund Reserves		\$ 11,304,246
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Less:

1) Funds Designated for POST (Funds from the State for Police Trainir	\$ (75,676)	
2) Funds Designated for Inmate Security	<u>\$ (54,551)</u>	
Total Designated Funds		<u>\$ (130,228)</u>

Projected 12/31/19 Unreserved General Fund Reserves		\$ 11,174,018	57.4%
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Less 40% Requirement of Expenditures including Transfers:		\$ (7,785,789)
FY2019 Expenditures & Transfers - Amended Budget	\$ 19,464,472	

Total Available for Council above the 40% Requirement Policy		<u>\$ 3,388,230</u>
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One-Time Reimbursements		
NID - Deferred Revenue (Broadmoor & Chesterfield Hill)	<u>\$ 1,500,355</u>	
		<u>\$ 1,500,355</u>

Total Left Above the 40% Requirement Policy		<u>\$ 4,888,584</u>
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General Fund
EARLY 2020 - FUND BALANCE ESTIMATE
(AS SUBMITTED W/S #2)

12/31/2019 FUND BALANCE	\$11,174,018	
2020 NET ACTIVITY	<u>\$ 1,500,000</u>	(REDUCED TO INCLUDE MERIT POOL)
PROJECTED 12/31/2020 GENERAL FUND - FUND RESERVES	\$12,674,018	
DEDUCT FUNDING FOR		
RESTRICTED FUNDS (COURT)	\$130,000	
EAB	\$560,000	
SNOW REMOVAL REIMB.	<u>\$163,012</u>	
PROJECTED UNRESERVED FUND RESERVES	\$11,821,006	
LESS 40% RESERVE REQUIREMENT (\$19,548,393 * .40)	\$7,819,357	
GENERAL FUND - FUND RESERVE END OF YEAR 12/31/2020		
AVAILABLE OVER 40% POLICY THRESHOLD	\$4,001,648	(estimated)
Ignores NID Reimbursements\Investments	(\$1.4 M)	



**Parks Sales Tax Fund
Schedule of Fund Reserves
December 31, 2019**

9/26/2019 10:06

12/31/18 Parks Sales Tax Fund Reserves	\$ 931,750
FY2019 Amended Parks Sales Tax Fund Budgeted Activity	\$ (893,390)
Correction of 2018 Prepaid Debt Service Transfer	\$ 1,775,080
Projected Parks Sales Tax Revenues Less than Budgeted	<u>\$ (352,553)</u>
 Projected 12/31/19 Parks Sales Tax Fund Reserves	 <u>\$ 1,460,887</u>

PARKS Fund
EARLY 2020 - FUND BALANCE **ESTIMATE**
(AS SUBMITTED W/S #2)

12/31/2019 FUND BALANCE	\$1,460,887	
2020 NET ACTIVITY	<u>\$ 50,000</u>	(REDUCED TO INCLUDE MERIT POOL)
 PROJECTED 12/31/2020 PARKS FUND - FUND RESERVES	 \$1,510,887	

NOTE* 40% policy not applied



HIGHLIGHTS 2020 PARKS SALES TAX FUND

- Funded by ½ cent sales tax. No sharing with other jurisdictions
- Normal Debt Schedule - \$3,296,278
- Adjusted Debt Service - \$2,991,699
- Uniform Debt Service through 2025
- Sales Tax revenues are budgeted at \$6,674,640 in 2020 vs \$7,027,193 in 2019. Down \$352,553.
- Proposed 2020 budgeted expenditures are down from 2019 by \$96,710 (constrained by revenues)
- Fund Balance is expected to increase \$104,600

Capital Improvements Sales Tax Fund
Schedule of Fund Reserves
December 31, 2019

9/26/2019 10:08

12/31/18 Capital Improvements Sales Tax Fund Reserves	\$ 1,861,729
FY2019 Amended Capital Improvements Sales Tax Fund Budgeted Activity	\$(1,566,566)
Projected Capital Improvements Sales Tax Revenues Less than Budgeted	<u>\$ (293,936)</u>
Projected 12/31/19 Parks Sales Tax Fund Reserves	<u>\$ 1,227</u>



HIGHLIGHTS 2020 CAPITAL PROJECTS FUND

- Funded by ½ cent sales tax. 15% Is shared with the County Pool. Parallel Parks revenues, but 15% less.
- Proposition R&S Debt was fully retired in 2019. No debt payments in 2020
- Sales Tax revenues are budgeted at \$5,679,178 in 2020 vs \$5,973,114 in 2019. Down \$293,936.
- Proposed 2020 budgeted expenditures are up \$1,808,838 without debt service.
- Fund Balance is expected to decrease by **\$72,094**
- City does not generally intend to carry a fund balance in the Capital Projects Fund

MERIT POOL DISCUSSION

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.

Surrounding Communities Compensation Increase Budget

- Ballwin – 3%
- Creve Coeur - 3%
- Ellisville - 3%
- Town and Country – 3% last year, 2.5% - 3% this year anticipated
- Manchester – Currently in three year program to bring all employees to midpoint
- Maryland Heights – 2.8%

- Chesterfield FOP, 2020 Compensation increases
 - OFFICERS 2.43%
 - SERGEANTS 2.51%

Value used to annually increment the compensation plan

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

Month	2015		2016		2017		2018		2019	
	1 month	12 month	1 month	12 month	1 month	12 month	1 month	12 month	1 month	12 month
January	-0.6	-0.3	0.3	0.8	0.7	2.2	0.6	1.6	0.2	0.8
February	0.3	-0.5	0.0	0.4	0.2	2.4	0.2	1.7	0.7	1.3
March	0.6	-0.9	0.6	0.5	0.1	1.9	0.2	1.8	0.6	1.7
April	0.1	-1.1	0.4	0.8	0.4	1.8	0.4	1.8	0.3	1.5
May	0.4	-0.8	0.4	0.8	0.0	1.4	0.5	2.3	0.3	1.3
June	0.5	-0.7	0.6	0.8	0.0	0.9	0.2	2.5	0.0	1.2
July	0.0	-0.5	-0.5	0.4	0.0	1.3	0.0	2.4	0.2	1.5
August	0.0	-0.3	0.1	0.6	0.3	1.5	0.0	2.1		
September	-0.3	-0.8	0.2	1.1	0.3	1.5	0.1	1.9		
October	-0.1	-0.3	-0.1	1.0	-0.2	1.5	0.1	2.2		
November	-0.5	-0.2	-0.3	1.2	0.2	1.9	-0.6	1.4		
December	-0.6	0.0	0.1	1.8	-0.2	1.7	-0.4	1.3		

BUREAU OF LABOR STATISTICS

Employment Cost Index (NAICS)
Original Data Value

Series Title: [Wages and salaries for State and local government workers](#)
Ownership: State and local government workers
Component: Wages and salaries
Periodicity: 12-month percent change

Year	Period	Estimate Value	Standard Error
2016	Qtr1	1.8	0.1
2016	Qtr2	1.7	0.1
2016	Qtr3	2.0	0.2
2016	Qtr4	2.1	0.1
2017	Qtr1	2.2	0.1
2017	Qtr2	2.1	0.1
2017	Qtr3	2.0	0.1
2017	Qtr4	2.1	0.1
2018	Qtr1	1.8	0.1
2018	Qtr2	1.9	0.1
2018	Qtr3	2.3	0.2
2018	Qtr4	2.4	0.1
2019	Qtr1	2.5	0.1
2019	Qtr2	2.5	0.1

BLS
Employment
Cost Index 2019
2.5-3.0%

BUREAU OF LABOR STATISTICS

Employment Cost Index (NAICS)
Original Data Value

Series Title: [Total compensation for State and local government workers](#)
Ownership: State and local government workers
Component: Total compensation
Periodicity: 12-month percent change

Year	Period	Estimate Value	Standard Error
2016	Qtr1	2.4	0.1
2016	Qtr2	2.3	0.1
2016	Qtr3	2.6	0.1
2016	Qtr4	2.4	0.1
2017	Qtr1	2.6	0.1
2017	Qtr2	2.6	0.1
2017	Qtr3	2.4	0.1
2017	Qtr4	2.5	0.1
2018	Qtr1	2.2	0.1
2018	Qtr2	2.3	0.1
2018	Qtr3	2.5	0.1
2018	Qtr4	2.6	0.1
2019	Qtr1	3.0	0.1
2019	Qtr2	3.0	0.1

MERIT POOL MATRIX

	2020 Budget Impact of Merit Pool	2020 Budget Impact of Merit Pool (Loaded Cost)	G e n e r a l F u n d	P a r k s F u n d	C a p i t a l F u n d	P S u a l t y F u n d	12 Month Impact of Merit Pool (Salaries)	12 Month Impact of Merit Pool (Loaded Cost)
0.5%	\$21,584	\$28,221	\$12,148	\$5,183	\$543	\$3,710	\$43,168	\$56,442
1%	\$43,168	\$56,442	\$24,296	\$10,365	\$1,086	\$7,421	\$86,336	\$112,884
1.50%	\$64,752	\$84,663	\$36,443	\$15,548	\$1,629	\$11,131	\$129,504	\$169,326
2%	\$86,336	\$112,884	\$48,591	\$20,731	\$2,173	\$14,841	\$172,672	\$225,768
2.50%	\$107,920	\$141,105	\$60,739	\$25,913	\$2,716	\$18,552	\$215,840	\$282,209
3%	\$129,504	\$169,326	\$72,887	\$31,096	\$3,259	\$22,262	\$259,008	\$338,651
3.50%	\$151,088	\$197,547	\$85,035	\$36,278	\$3,802	\$25,972	\$302,175	\$395,093
4%	\$172,672	\$225,768	\$97,183	\$41,461	\$4,345	\$29,683	\$345,343	\$451,535