

## **RECORD OF PROCEEDING**

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

**DECEMBER 4, 2017**

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Mayor Bob Nation called the Public Hearing to order at 6:45 p.m. Councilmembers Flachsbart, McGuinness, Tilman, Hurt, Logan, DeCampi and Ohley were in attendance, along with approximately eight visitors/members of the Press. Councilmember Keathley was absent.

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 five budget workshops followed on September 25, October 9, October 30, November 6 and November 27. Mr. DesPlanques stated that the proposed FY2018 budget provides for \$1,404,172 net revenues over expenditures. It also includes a transfer of \$1,500,000 from the General Fund to the debt service funds.

#### **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 with no growth over FY2017 projected estimates. Total budgeted revenues and expenditures are down from FY2017 due to the decrease in grant funded projects and reimbursement of compressed natural gas (CNG) forward funding to the General Fund. It should be noted that revenues for the months of October, November and December have not yet been received and could impact the ending fund balance. Transfers out for debt payments on Propositions "R" and "S" are projected to total approximately \$3,489,515.

Regarding the proposed FY2018 Budget, Mr. DesPlanques reported that revenues in the Capital Improvement Sales Tax Fund are projected to total approximately \$6,633,725, which includes \$5,670,856 in sales tax and \$962,869 in other revenues. Proposed expenditures for FY2018 are \$2,941,295 for capital projects and improvements. Capital Improvement Sales Tax Fund – Fund Reserves are expected to end the year at \$45,717 during FY2018.

### **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 with no growth over FY2017 projected estimates. The FY2018 proposed budgeted sales tax revenues for the Parks Fund are \$6,671,396 (7.7% below FY2016 actual value). Total proposed expenditures for FY2018 are \$754,160 (11.6% below the FY2017 original budget).

Total revenue (including sales tax revenue) in the Parks Sales Tax Fund is projected to generate approximately \$8,721,533 during FY2018. Expenditures and transfers out are projected to total \$5,710,828 and \$3,018,121, respectively. The Parks Sales Tax Fund includes no new positions. Mr. DesPlanques stated that the City is anticipating the Parks Sales Tax Fund – Fund Reserves are expected to end the year at \$1,911,859 during FY2018.

### **General Fund**

Mr. DesPlanques reported that General Fund revenues are projected to total \$23,869,736 in FY2018. This is an increase of \$1,649,600 (7.4%) over the original FY2017 budget, primarily due to the effects of SB 867, Proposition P and the City's contract with Clarkson Valley to provide Police services. The FY2018 proposed sales tax revenues of \$6,860,296 are 1.3% below FY2016 actual sales tax revenues.

The two major sources of General Fund revenues are sales taxes and utility taxes, which represent \$9,056,634 and \$6,727,573 respectively. Intergovernmental revenues, including motor fuel taxes, motor vehicle sales taxes, cigarette taxes, road and bridge taxes, and other grant sources represent 4,713,208. The remaining revenues consist of licenses and permits (\$1,587,921), charges for services (\$517,404), court receipts (\$794,556) and other miscellaneous sources (\$472,440).

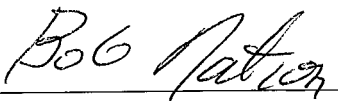
Mr. DesPlanques reported that General Fund expenditures and transfers are projected to total \$21,111,228 and \$1,549,835, respectively for FY2018. The General Fund includes the addition of one Assistant Finance Director scheduled for a mid-year hire.

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 \$8,093,032 at the end of FY2018 and, when factoring in the amount required to be set-aside, due to the City's "40%" policy, leaves \$1,033,008 available over and above the 40% fund reserve policy to fund additional projects, as reviewed/approved by City Council, during FY2018 and beyond.

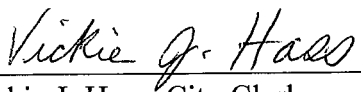
#### **ADJOURNMENT**

Mr. DesPlanques expressed his appreciation, on behalf of Mr. Geisel, to City Council and Staff for their cooperation and communication during the budget process.

There being no public discussion or comment, Mayor Nation adjourned the meeting at 7:02 p.m.

  
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Mayor Bob Nation

#### **ATTEST:**

  
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Vickie J. Hass, City Clerk