



## **RECORD OF PROCEEDING**

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

**NOVEMBER 21, 2022**

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Mayor Nation called the Public Hearing to order at 6:45 p.m. Councilmembers McGuinness, Monachella, Wahl, Mastorakos, Hurt, Moore, Hansen and Budoor were in attendance, along with approximately 8 attendees/members of the Press.

Chesterfield City Code requires the City Administrator to prepare and submit a budget for City Council to consider/adopt, prior to January 1 of each year. It also requires that a Public Hearing be held prior to the adoption of the budget. This budget presentation satisfies the Code requirements pertaining to budget procedures.

Mayor Nation recognized Finance Director Jeannette Kelly who noted that the budget has been created around the City's Mission Statement. The initial budget was submitted to Council and two budget workshops followed on October 10 and October 24, 2022.

Ms. Kelly stated that staff prepared a conservative FY2023 budget with revenues estimated at \$41 million in the four major funds. This is \$2.5 million above the FY2022 adopted budget. Budgeted expenditures for FY2023 are estimated at \$39.5 million which is approximately \$2.5 million above the FY2022 adopted budget expenditures. The proposed FY2023 budget provides for \$1.5 million net revenues over expenditures for the four major funds.

Ms. Kelly noted that the FY2023 budget includes compensation for step increases for the Fraternal Order of Police (FOP), per contract, as well as an 8% merit pool increase for non-FOP employees effective January 1, 2023.

### **Parks Sales Tax Fund**

Ms. Kelly 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 the City receives 100% of the revenues from this tax.

City Council has previously earmarked \$6.9 million to pre-pay Parks debt service. A portion of these funds is used to provide uniform debt service payments of approximately \$1.3 million annually in the years 2023 through 2025.

Ms. Kelly reported that revenues in the Parks Sales Tax Fund are budgeted at \$9.7 million in FY2023 compared to \$9.1 million in the FY2022 adopted budget. Proposed expenditures for FY2023 are \$351,815 greater than the FY2022 adopted budget, resulting in an increase to the fund balance of \$954,000.

The Parks Sales Tax Fund Reserve balance is estimated to be \$1.9 million as of December 31, 2023; however, \$500,000 is restricted for synthetic field replacement. As a reminder, the 40% reserve policy does not apply to this fund.

### **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.” Ms. Kelly 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.

Ms. Kelly reported that revenues in the Capital Improvement Sales Tax Fund are budgeted at \$6.1 million in FY2023. This is an increase of approximately \$557,000 compared to the FY2022 adopted budget. Proposed expenditures for FY2023 are budgeted at \$6.1 million for capital projects and improvements, resulting in an increase of approximately \$4,000 to the fund balance.

The City does not generally intend to carry a fund balance in this fund; however, the balance is affected by timing of projects.

### **Public Safety Fund**

Ms. Kelly explained that the Public Safety Fund was created in FY2018 and acts as a net zero fund balance budget. Budgeted sales tax revenues for FY2023 are 10% higher than the FY2022 adopted budget. By fund definition, revenues equal expenditures; therefore, any shortfall of revenues is funded by a transfer from the General Fund. This transfer amount is estimated to be \$8.7 million in FY2023 (\$280,000 higher than the FY2022 adopted budget).

## General Fund

Ms. Kelly explained that the General Fund is funded by pooled sales tax, utility taxes and other intergovernmental revenues.

A portion of the additional land acquired in 2020, adjacent to Central Park, is funded by General Funds. City Council has earmarked funds to pre-pay debt service. Each year a portion of these funds is used to provide uniform debt service payments of approximately \$589,000 annually in the years 2023 through 2025.

Ms. Kelly reported that total revenues in the General Fund are projected to be \$21.2 million in FY2023 (an increase of \$1 million from the FY2022 adopted budget). Total expenditures for FY2023 are projected to be \$20.6 million (an increase of \$1.1 million from the FY2022 adopted budget); however, this budget includes a \$1 million transfer to prepaid debt reserves for the Central Park land acquisition.

The ending fund balance for FY2023 is estimated to be \$12.5 million. The unreserved General Fund reserve balance as of December 31, 2023 is projected to be \$4.3 million above the 40% policy threshold.

## ADJOURNMENT

There being no public discussion or comment, Mayor Nation adjourned the meeting at 6:57 p.m.

  
Mary Monachella (President Pro-Tem)  
Mayor Bob Nation

ATTEST:

Vickie McGownd  
Vickie McGownd, City Clerk