



FY2023

Proposed Budget

**Dr. Marie Peoples and Eric Peterson**

**May 3, 2022**

# INTRODUCTION



- Welcome to FY 23 Budget Work



# FY2022 BUDGET OUTCOMES



ALL FUNDS	YEAR	REVENUES	EXPENSES	UNDER (OVER) BUDGET	FY 22 IMPROVEMENT (LOSS) OVER BUDGET
	2021 Actual	\$25,256,710.61	\$29,021,756.49	(\$3,765,045.88)	
	2022 Estimated	\$26,754,012	\$27,835,398	(\$1,081,386.00)	<b>+\$7,715,770</b>

GENERAL FUND	YEAR	REVENUES	EXPENSES	UNDER (OVER) BUDGET	FY 22 IMPROVEMENT (LOSS) OVER BUDGET
	2021 Actual	\$18,243,355.72	\$17,768,433.06	\$474,922.66	
	2022 Estimated	\$17,244,207	\$18,968,924	(\$1,724,717.00)	<b>+\$585,352</b>

# FY 2023 PROPOSED BUDGET



## The Bottom Lines

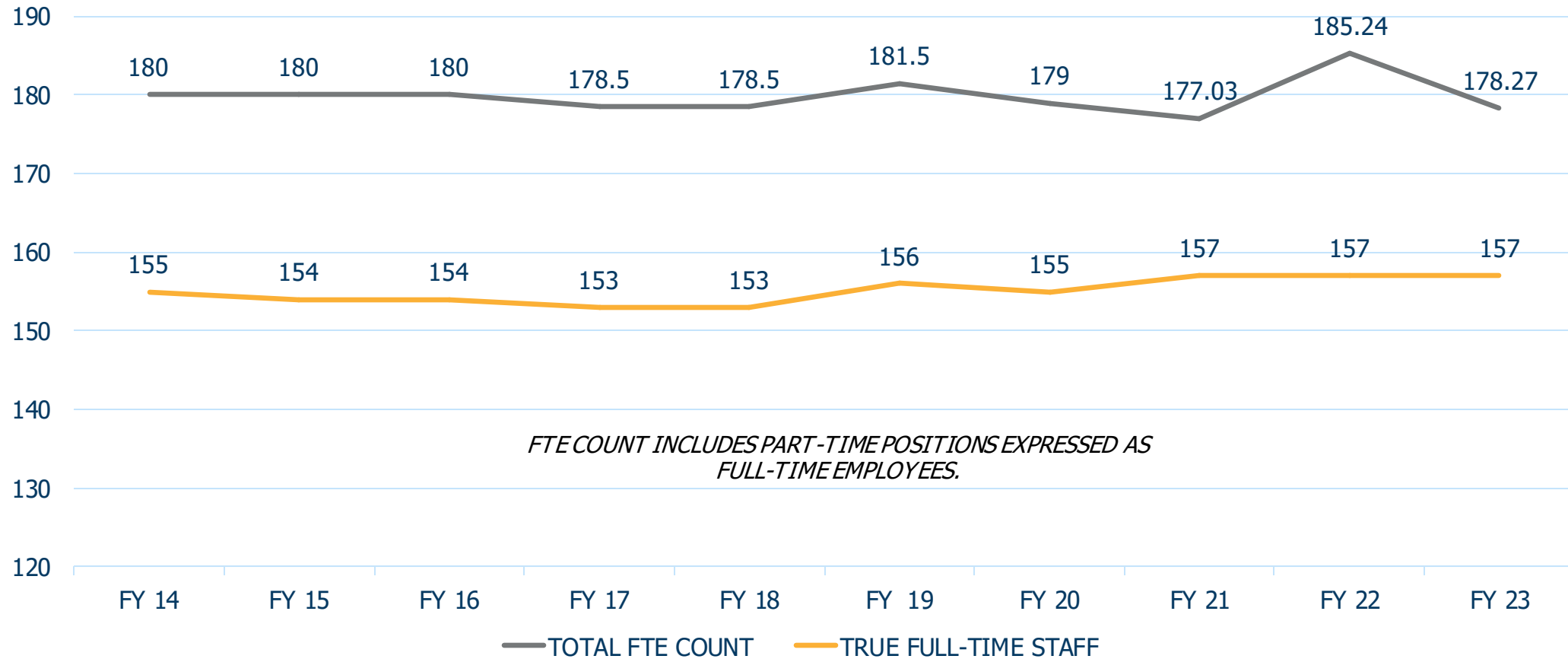
### All Funds

YEAR	REVENUES	EXPENSES
<b>2022 Budget</b>	\$24,346,789	\$32,843,945
<b>2023 Proposed</b>	\$28,631,882	\$28,002,537
<b>2023 Over (under) 2022</b>	\$4,285,093	(\$4,841,408)

### General Fund

YEAR	REVENUES	EXPENSES
<b>2022 Budget</b>	\$17,168,865	\$19,478,934
<b>2023 Proposed</b>	\$19,373,945	\$19,373,945
<b>2023 Over (under) 2022</b>	\$2,205,080	(\$104,898)

# AUTHORIZED FTE COUNT – 10 YEAR HISTORY

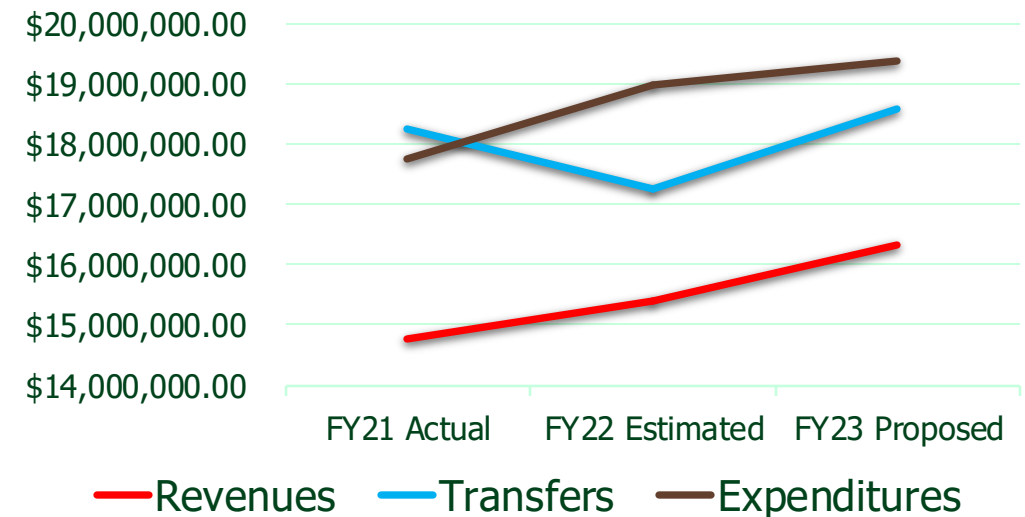


# FY 2023 GENERAL FUND STRUCTURAL DEFICIT



ITEM	AMOUNT
Revenues	\$16,331,610
Expenditures	\$19,737,945
Excess (Deficiency)	(\$3,042,335)
Public Safety Fund Transfer In	\$1,396,849
Business Districts Transfer In	\$102,585
ARP Fund Transfer In	\$771,450.50
Fund Balance Use	\$771,450.50
<b>Surplus (Deficit)</b>	<b>--</b>

### FY21-23 General Fund Deficit



# CITY FIVE-YEAR FINANCIAL PLAN



## Five-Year Plan as affected by Proposed FY2023 Budget

YEAR	JAN 2022 5-YEAR PLAN	FY23 BUDGET 5-YEAR PLAN
FY 2023	\$(4,954,513.14)	\$(3,042,335.00)
FY 2024	\$(5,885,072.82)	\$(3,707,172.70)
FY 2025	\$(6,854,519.47)	\$(4,436,821.28)
FY 2026	\$(7,865,121.61)	\$(5,178,844.12)
FY 2027	\$(8,919,265.18)	\$(5,934,387.70)
FY 2028		\$(6,704,608.03)

Deficit is improved by  
**\$2.985 million**  
(FY27)

Further work needed

Fund Balance  
exhausted in FY 27

# REVIEW OF MAJOR BUDGET PRESSURES



## IMMEDIATE PRESSURES

- Compensation
- Fire and Police Labor Agreements
- Inflation & Increasing Costs
- Employee Healthcare Costs
- East Central Dispatch Center
- COVID-19

## LONG-TERM PRESSURES

- Capital Plan
- Business District Services
- Structural Deficit
- Constrained Revenues
- COVID-19



# REVIEW OF MAJOR BUDGET PRESSURES



## Compensation & Classification Proposed Budget

Based on market data and salary movement, as proven by the recent Compensation and Classification study, we have fallen behind in our competitiveness to retain and attract talent to deliver services to our community.

- In FY 22 the Compensation and Classification study was funded and completed, however the set-aside allocation of \$30,000 to implement recommendations made from the study was not used. The study found that 40% of the staff were underpaid.
  1. It is proposed that the 29 identified positions be brought up to the minimums within the new pay ranges.
  2. In FY 23 an across-the-board cost of living adjustment (COLA) for City employees, effective July 1, is proposed at 2.0%.
    - The all-items Consumer Price Index for all Urban Consumers increase for the 12 months ending in March of 2022 was 8.5%, compared to 2.6% in March of 2021.

# REVIEW OF MAJOR BUDGET PRESSURES



## Unknowns: Union CBAs – Fire & Police

- Fire and Police are currently bargaining total compensation.
- Neither organization had submitted their respective proposals, therefore, no dollar amount has been plugged in.
- It is anticipated that bargaining for both Fire and Police will be completed calendar year 2022. While an amount has not been set-aside, Council must keep these anticipated expenditures in mind.
- Previously Fire & Police Step Increases went into effect for the following:
  - Increase from 2019 to 2020 was \$364,000 (First Year of Fire Steps)
  - Increase from 2020 to 2021 was \$503,780 (First Year of Police Steps)
  - Increase from 2021 – 2022 was the first year for the 2% employee increase and *both* Fire & Police Steps, equating to a cost of \$1,267,471.

Currently: Combined Fire & Police account for **53%** of the General Fund.

# REVIEW OF MAJOR BUDGET PRESSURES



## Inflation and Rising Costs

SALT



+\$130,000

GASOLINE



+\$19,250

ELECTRICITY



+\$83,425

WATER &  
SEWER



+\$11,225

CPI



+8.5%

# REVIEW OF MAJOR BUDGET PRESSURES



## Employee Healthcare Costs

7%↑

**PROPOSED BUDGET**  
Single Coverage Employees contribute \$100/month to health care.

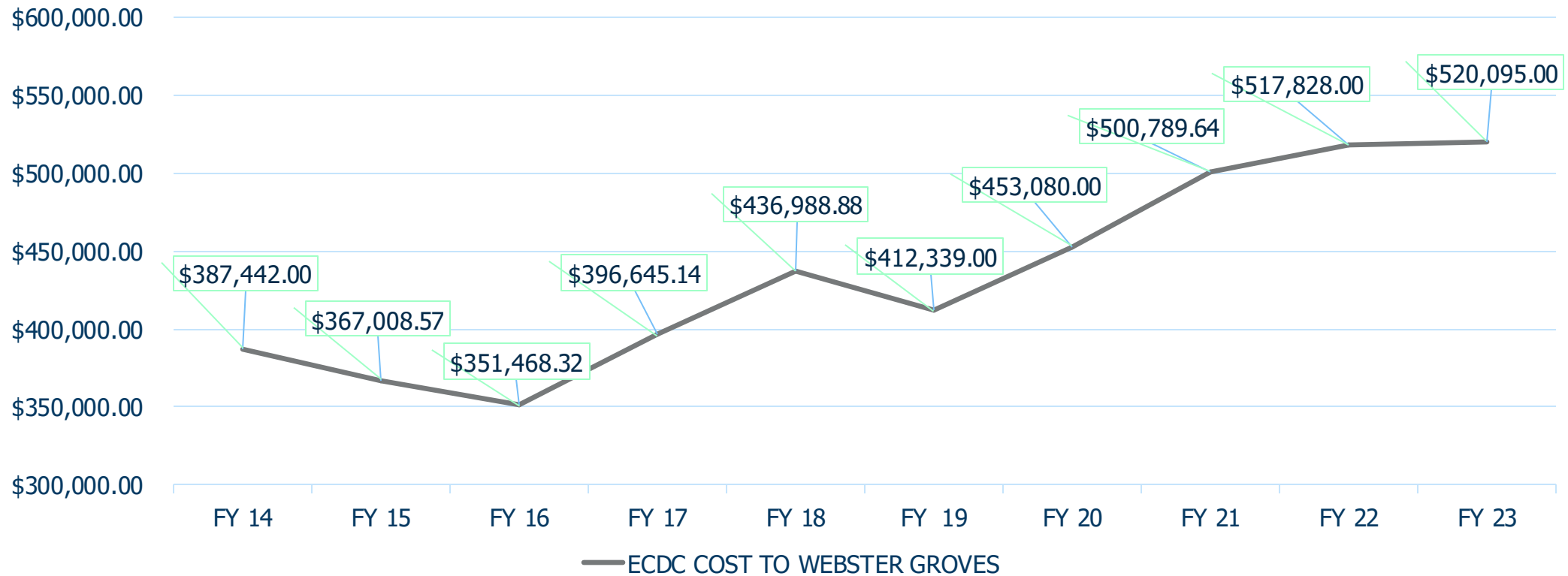
PLAN	# of STAFF	EMPLOYER			EMPLOYEE	
		MONTH	ANNUAL	% of COST	MONTH	ANNUAL
Employee + Spouse/DP	9	\$1,489.80	\$17,878.80	78.53%	\$407.32	\$4,887.84
Employee + Child/Children	27	\$1,265.77	\$15,189.24	81.08%	\$295.31	\$3,543.72
Family	26	\$1,985.36	\$23,824.32	75.19%	\$655.10	\$7,861.20
Single	77	\$675.16	\$8,101.92	100%	\$0.00	\$0.00
Single (Proposed)	62*	\$575.16	\$6,901.92	85.18%	\$100.00	\$1,200.00

\*unionized Fire Staff not included, change must be collectively bargained

# REVIEW OF MAJOR BUDGET PRESSURES



## East Central Dispatch Center Costs



# REVIEW OF MAJOR BUDGET PRESSURES



## COVID-19

- FY 20, FY 21, and FY 22 were impacted by major revenue losses, mostly within Parks & Recreation and the Municipal Courts.
- Council made the decision not to reduce the workforce and kept staff "whole" while Parks & Recreation Facilities were closed most of FY 21.
- Due to ongoing COVID-19 variants & spikes in cases/transmission, P&R operations have not fully rebounded. This has fiscal impacts for FY 23 and possibly beyond as people have become accustomed to exercising differently.

# REVIEW OF MAJOR BUDGET PRESSURES



## LONG-TERM PRESSURES

Capital Plan	Business District Services	Structural Deficit	Constrained Revenues
<ul style="list-style-type: none"><li>• \$2.6 million cost in FY24, est.</li><li>• \$1.65 million in revenue.<ul style="list-style-type: none"><li>• Ladder Truck</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Transfers to General Fund unsustainable in FY24-25.</li></ul>	<ul style="list-style-type: none"><li>• General Fund is not balanced in coming years.<ul style="list-style-type: none"><li>• \$6,704,608 deficit in FY2028</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Lack of revenue options to significantly impact deficit without voter or legislature action.</li></ul>

# MAJOR CHANGES TO FINANCIAL LANDSCAPE FOR FY2023



## Use Tax

*Passage of Prop U*

**\$500,000**

**annual estimate**

**\$250,000 for FY23**

*NOT an Additional Sales Tax*



**Prop. U**

Local Use Tax

*Providing for Public Services*

**TUESDAY, APRIL 5**

[webstergroves.org/PropU](http://webstergroves.org/PropU)



# REVIEW OF PROPOSED BALANCING METHODS – GENERAL FUND



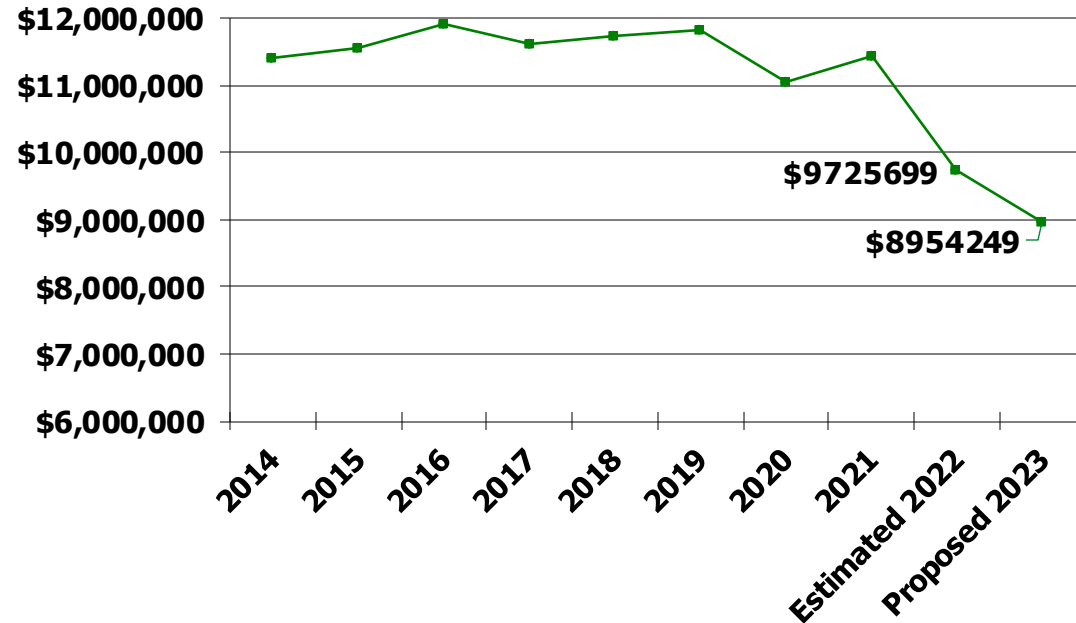
**Fund Balance Used**  
\$771,450

## Fund Balance Use

**Estimated FY23 Fund Balance**  
\$8,954,249  
46.22% of Expenditures

**Goal of 50% of Expenditures**  
\$9,686,972.50

*10 Year Fund Balance History*



# REVIEW OF PROPOSED BALANCING METHODS – GENERAL FUND



## ARP Use

### ARP Funds Used

\$771,450

### Remaining ARP Fund

### Balance

\$2,722,000



# REVIEW OF PROPOSED BALANCING METHODS – ALL FUNDS



## Frozen Positions through Attrition & Right-Sizing Workforce

1. GIS Coordinator was frozen upon vacancy. This resulted in a savings of approximately \$76,000 for FY2023.
2. Customer Support Supervisor was frozen upon vacancy. This resulted in a savings of approximately \$75,000 for FY2023.
3. Three Police Officer positions that have continuously been unfilled were frozen. This resulted in a savings of approximately \$270,000 for FY2023.
4. Civil Engineer position was frozen upon vacancy. Position created as part a streets bond; all projects were completed in 2013. The position then grew into handling Federal Projects and Mill and Overlay projects. The City currently has no Federal Projects in the works for at least 2 years. This resulted in a savings of approximately \$102,300 for FY2023.

**Reduction of 6 FTE/Total FY23 Savings \$523,300**

# REVIEW OF PROPOSED BALANCING METHODS – ALL FUNDS



## Efficiency Measures

All departmental miscellaneous budgets were eliminated.

(\$-6,500 GF)

All office supply budgets were centralized into Finance for the centralized spend on office supplies.

(\$-10,045 GF)

To maximize the use of other funds, several positions are funded from Funds other than the General Fund in this budget.

(\$-2,076,044 GF)

# GENERAL FUND STRUCTURAL DEFICIT – 10 YEAR HISTORY



		FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
AS BUDGETEED	Revenue	\$15,249,641	\$15,658,490	\$15,788,940	\$16,128,100	\$16,119,753	\$16,233,344	\$15,954,125	\$16,112,314	\$15,842,429	\$15,324,805
	Expenditures	\$15,288,612	\$15,847,543	\$15,965,649	\$16,248,342	\$16,240,912	\$16,929,098	\$17,089,160	\$17,563,141	\$19,051,977	\$19,478,934
	Totals	(\$38,971)	(\$189,053)	(\$176,709)	(\$120,242)	(\$121,159.)	(\$695,754.00)	(\$1,135,035)	(\$1,450,827)	(\$3,209,548)	(\$4,154,129)
ACTUALS	Revenue	\$14,955,341.92	\$15,306,792.81	\$15,787,042.33	\$16,020,140.07	\$15,414,721.41	\$16,205,508.78	\$15,810,495.80	\$14,765,433.72	\$15,018,833.64	\$15,400,147.00
	Expenditures	\$14,787,923.12	\$15,530,106.74	\$15,752,992.28	\$15,795,324.05	\$15,809,801.21	\$16,407,094.98	\$16,586,444.43	\$17,643,613.62	\$16,836,513.28	\$18,570,553.00
	Totals	\$167,418.80	(\$223,313.93)	\$34,050.05	\$224,816.02	(\$395,079.80)	(\$201,586.20)	(\$775,948.63)	(\$2,878,179.90)	(\$1,817,679.64)	(\$3,170,406.00)

Structural Deficit Indicators do NOT include other fund sources i.e. transfers from Public Safety Sales Tax Fund

# FY 2022 ESTIMATES



	General Fund	Capital Fund	Stormwater Fund	Park Improvement	ARP Fund	ALL FUNDS
Revenue	\$17,244,207	\$1,664,603	\$220,020	\$887,398	\$2,324,457	\$26,754,012
Expenditures	\$18,968,924	\$2,097,708	\$35,743	\$1,250,998	\$111,000	\$27,835,398
<b>TOTALS</b>	<b>(\$1,724,717)</b>	<b>(\$433,105)</b>	<b>\$184,277</b>	<b>(\$363,600)</b>	<b>\$2,213,457</b>	<b>(\$1,081,386)</b>

## FY22 IMPROVEMENTS IN FUND BALANCES OVER BUDGET

General Fund	Capital	Stormwater	Sewer Lateral	ALL FUNDS
+\$681,000	+\$327,000	+\$1,329,000	+\$42,000	+\$3,292,000

# CITY FIVE-YEAR FINANCIAL PLAN



Five-Year Plan created in January 2022

YEAR	DEFICIT
FY 2023	\$(4,954,513.14)
FY 2024	\$(5,885,072.82)
FY 2025	\$(6,854,519.47)
FY 2026	\$(7,865,121.61)
FY 2027	\$(8,919,265.18)

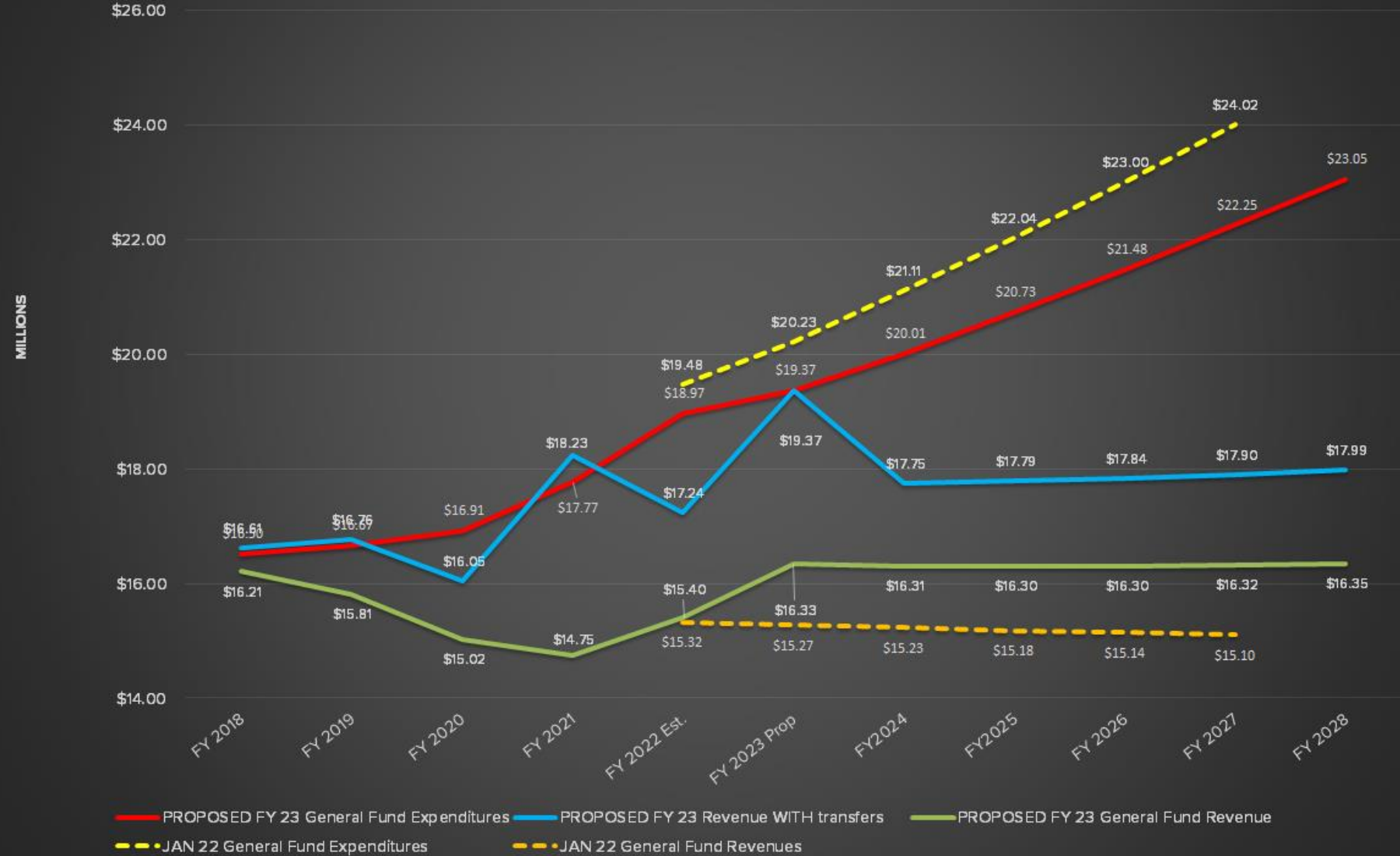
Current  
Fund Balance  
exhausted in  
FY 2025

# FIVE-YEAR PLAN

Dashed lines show estimates released in January 2022.

Solid lines show estimates with Proposed FY 2023 budget.

## GENERAL FUND FIVE-YEAR PLAN - STRUCTURAL DEFICIT JAN 22 ESTIMATES VS PROPOSED FY 23 ESTIMATES





# CITY FIVE-YEAR FINANCIAL PLAN



## Five-Year Plan as affected by Proposed FY2023 Budget

YEAR	JAN 2022 5-YEAR PLAN	FY23 BUDGET 5-YEAR PLAN
FY 2023	\$(4,954,513.14)	\$(3,042,335.00)
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FY 2027	\$(8,919,265.18)	\$(5,934,387.70)
FY 2028		\$(6,704,608.03)

Deficit is improved by  
**\$2.985 million (FY27)**

Further work needed

Fund Balance exhausted  
in FY 27

*(if Public Safety Sales Tax is  
dedicated to GF)*

# CHANGE IN FUND BALANCE 10-YEAR HISTORY



YEAR	CHANGE
FY14	(\$44,795)
FY15	\$212,632
FY16	\$345,425
FY17	(\$272,482)
FY18	\$107,759

YEAR	CHANGE
FY19	\$96,877
FY20	(\$859,146)
FY21	\$474,923
FY22 Estimated	(\$1,724,717)
FY23 Proposed	(\$771,450)

Negative numbers equate to fund balance being used to balance the budget

# FUND BALANCE POLICY REVIEW



## Fund Balance Policy: Resolution 2009-44

“...The target is to maintain a rolling beginning fund balance of not less than 50% of annual operating expenditures for the current fiscal year. Should the balance fall below 50%, the City will identify a plan to restore the Fund Balance to its target amount as part of the budget proposal.”

(emphasis added)

# FUND BALANCE POLICY FY22 & FY23



	FY2022	% of Expenditures	FY 2023	% of Expenditures
Expenditures	\$19,262,487		\$19,373,945	
50% of Expenditures	\$9,631,243.50		\$9,686,972.50	
Beginning Fund Balance	\$11,138,558	57.83%	\$9,725,699	50.20%
Budgeted Ending Fund Balance	\$9,044,936	46.96%	\$8,954,249	46.22%
Actual Ending Fund Balance	\$9,725,699	50.50%	--	--

A Plan May Be Needed

# FUND BALANCE POLICY FY22 & FY23



## GENERAL FUND- UNASSIGNED FUND BALANCE POLICY COMPARABLES IN ST LOUIS REGION

MUNICIPALITY	FUND BALANCE FLOOR	FUND BALANCE GOAL	FUND BALANCE CEILING	FUND BALANCE CURRENT AMOUNT
Rock Hill	25% of expenses			
Maplewood	25% of expenses			65%
Richmond Heights	25% of expenses	33% of expenses	None	
Clayton	25% of expenses	50% of expenses		69%
Ballwin	25% of expenses	25% of expenses		58%
Lake Saint Louis	30% of expenses		None	55%
Creve Coeur	33% of expenses			
O'Fallon MO	40% of expenses			
Des Peres	40% of expenses		60% of expenses (Soft)	86.3%
Crestwood	45% of expenses			61%
Olivette	50% of expenses			
Town and Country	50% of expenses		None	
Brentwood	50% of expenses		None	
Webster Groves	50% of expenses		None	52%

# FUND BALANCE POLICY



## RECOMMENDATION

Revise the Fund Balance Policy to lower the required fund balance amount to not less than 25% of general fund expenses. The recommendation is in line with comparable local governments and with advice from trusted members of the Government Finance Officer's Association (GFOA). This change should be done in conjunction with recommendation 2.

(page 24, Budget-in-Brief)

## CONSIDERATIONS

1. The amount of Fund Balance reserves you believe are necessary?
2. The will to reduce expenditures in future years.
3. Should other funds have a fund balance policy?
4. Should there be mandatory deposits towards reserves?

# ARP FUNDING PLAN REVIEW



## Public Input/Commission Recommendations

ITEM	AMOUNT
Electric Police Patrol Units (2)	\$130,000.00
Electric Fleet Vehicles (2)	\$60,000.00
Electric Vehicle Charging Stations (3)	\$18,000.00
Bicycle/Pedestrian Improvement Plan	\$100,000.00
Business Development Fund	\$100,000.00
DEI Initiative	\$50,000.00
Low-Income Seniors Utility Tax Rebate	\$50,000.00

## Facility/Technology Recommendations

ITEM	AMOUNT	ITEM	AMOUNT
City Hall Windows	\$150,000.00	Microsoft Office 365	\$75,000.00
Tyler Content Manager	\$32,000.00	Offsite Backup Server Replacement	\$15,000.00
NEOGov HR Module	\$32,000.00	Technology Cost Inflation Reserve	\$25,000.00
Purchase Existing Desktops (90)	\$53,000.00	<b>PROPOSED TOTAL</b>	<b>\$1,025,000.00</b>
Purchase New Laptops (30)	\$80,000.00	Revenue Replacement	771,450.00
Meeting Room Upgrades	\$25,000.00	FY22 WiFi	111,000.00
Microsoft Desktop and Server Licensing	\$30,000.00	<b>REMAINING ARP FUNDS</b>	<b>\$2,722,000.00</b>

In Finance & Administration budget, page 113 and 127

# RECOMMENDATIONS



FUND BALANCE	PLAN	LAPSES	FISCAL POLICIES	PUBLIC SAFETY FUND
<p>Revise the Fund Balance Policy to lower the required fund balance amount to not less than 25% of general fund expenses.</p>	<p>Adopt future year General Fund expenditure limits of which the budget cannot exceed without Council approval.</p>	<p>Implement a mandatory lapse policy where-in all General Fund unencumbered appropriations exceeding the estimated usage shall be lapsed to the fund balance on April 7, 2023.</p>	<p>Codify fiscal policies by resolution listed in the budget Financial Policies section for which no resolution is known to exist.</p> <ul style="list-style-type: none"> <li>• Page 26-34 of Budget</li> </ul>	<p>Close the Public Safety Fund and deposit proceeds of the Police Sales Tax in the General Fund. The current fund simply receives the revenue and is transferred to the General Fund.</p>

TO CONSIDER: These items are tied to the budget but can be adopted at different intervals.



# BALANCING ACT REVIEW



404  
Pageviews

18m 38s  
Average Time on  
Site

136h  
27m  
Total Time on Site

66  
Total  
Submissions

[www.webstergrovesmo.gov/budget](http://www.webstergrovesmo.gov/budget)

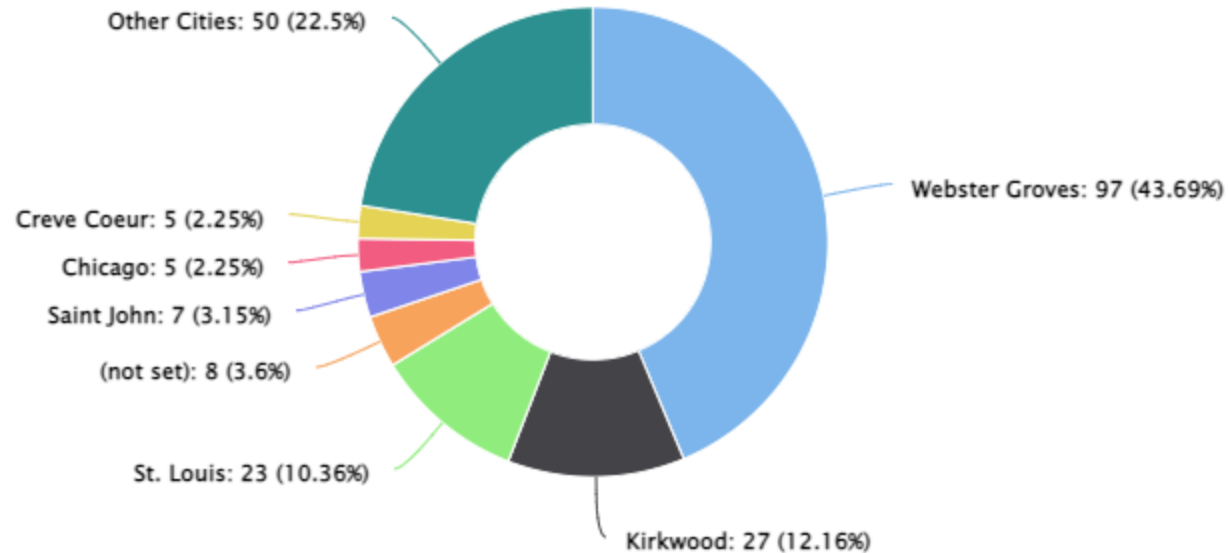
# THANK YOU!

# BALANCING ACT REVIEW

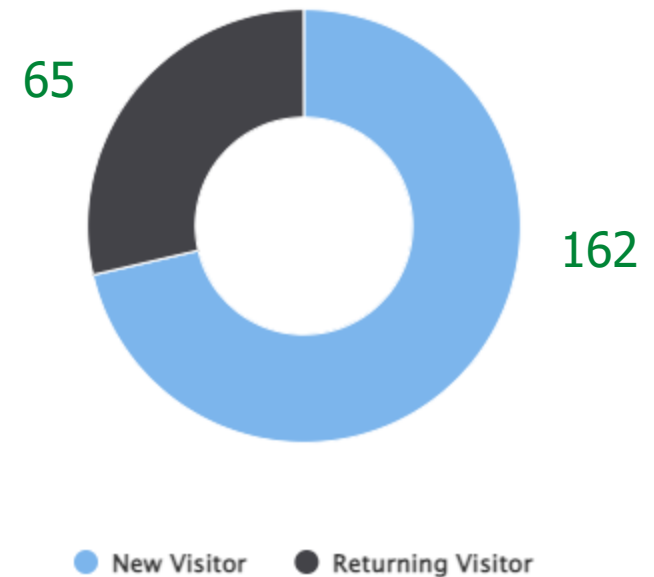


### Sessions by City

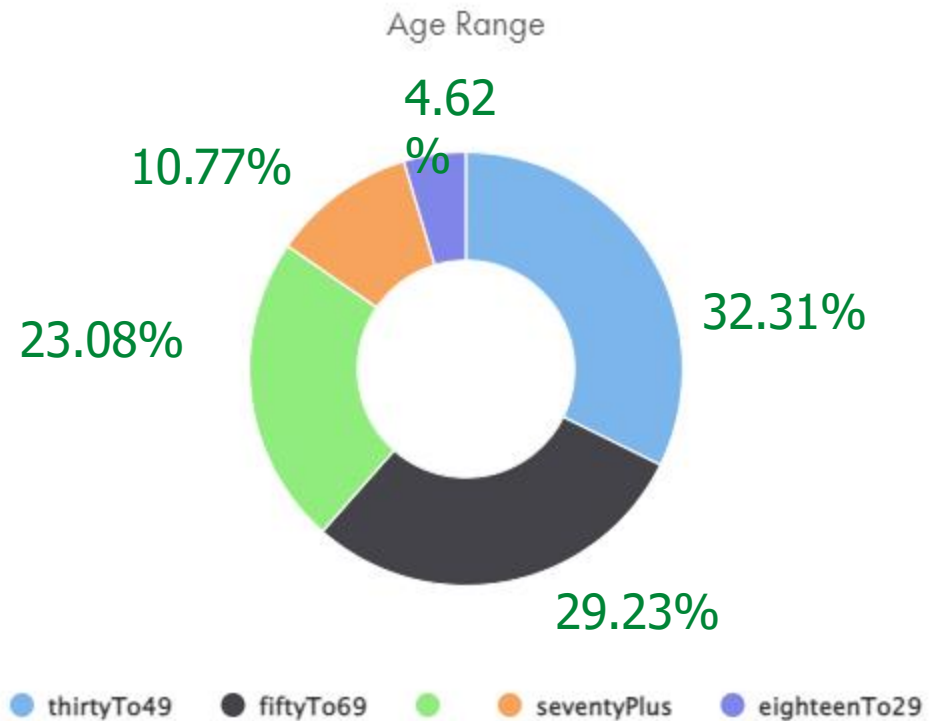
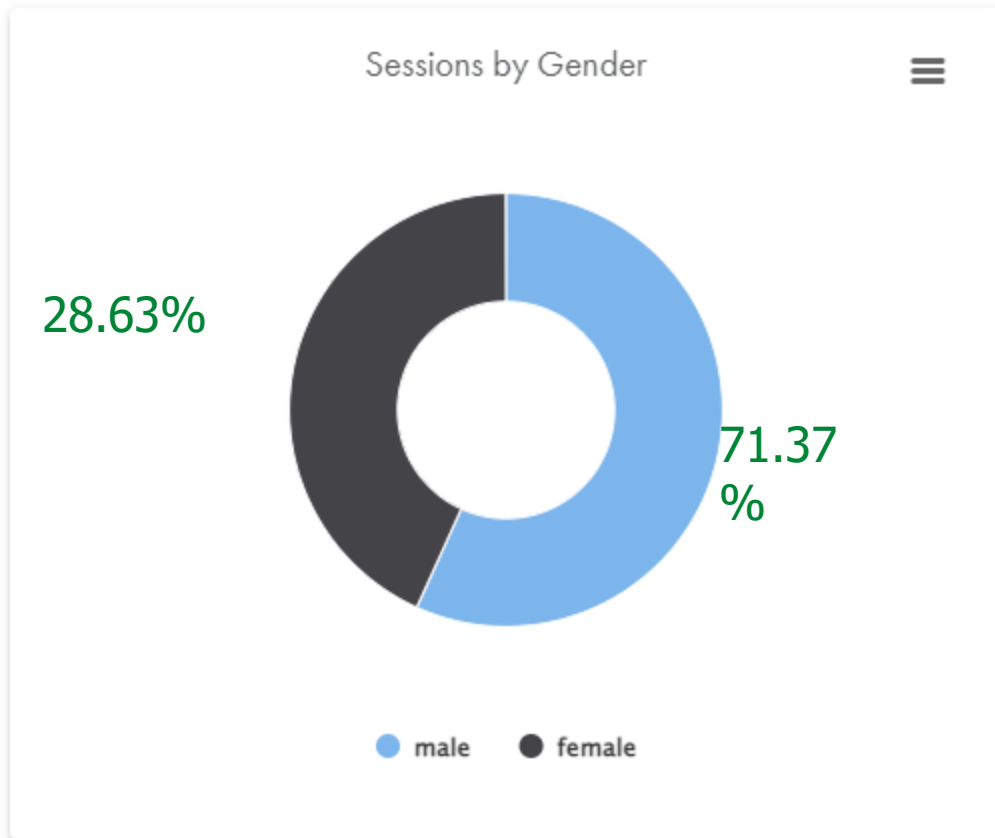
Based on where Google Analytics thinks the user is when accessing the simulation.



### New vs. Returning



# BALANCING ACT REVIEW



# BUDGET DETAIL OVERVIEW



*City of WEBSTER GROVES* FISCAL YEAR 2023 BUDGET

## EXECUTIVE AND LEGISLATIVE

**Budget Unit Programs**

- City Council (01)
- Executive (02)

staff to the Mayor and City Council. The Clerk serves as Custodian of Records for the City and the office serves as staff liaison to the Arts Commission.

BUDGET NARRATIVE

PROPOSED BUDGET

23 vs 22

FUND

Account	Account Description	2020 Actual Amount	2021 Actual Amount	2022 Amended Budget	2022 Estimated Amount	2023 Department Adjustments	2023 Proposed Budget	2023 over (under) 2022 Budget
<b>Fund 01 - GENERAL FUND</b>								
<b>EXPENSE</b>								
Department 01 - GENERAL GOVERNMENT								
Program 01 - CITY COUNCIL								
<i>PERSONNEL SERVICES</i>								
<i>SALARIES &amp; WAGES</i>								
602	PART TIME	3,885.00	4,075.00	4,350.00	4,350.00	4,350.00	4,350.00	.00
<i>SALARIES &amp; WAGES Totals</i>		<b>\$3,885.00</b>	<b>\$4,075.00</b>	<b>\$4,350.00</b>	<b>\$4,350.00</b>	<b>\$4,350.00</b>	<b>\$4,350.00</b>	<b>\$0.00</b>
<i>FRINGE BENEFITS</i>								

OBJECT

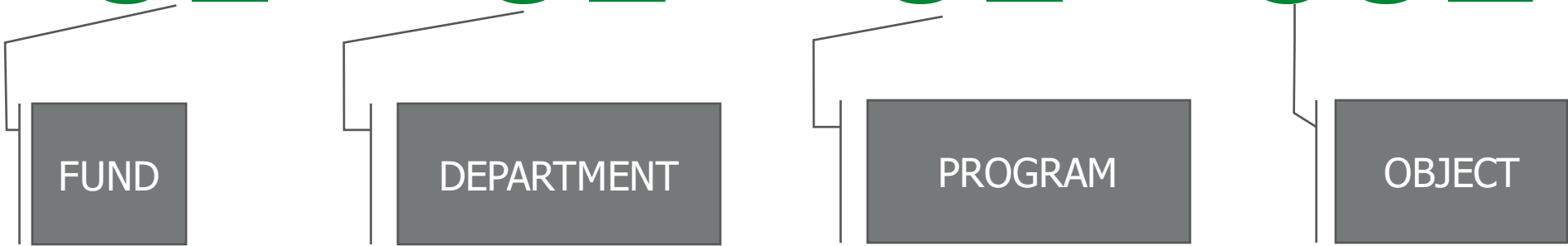
DEPT

PROGRAM

TOTALS LINE

# WHAT IS A LINE ITEM?

**01 – 01 – 01 - 602**



**General Fund – General  
Government – City Council –  
Salaries**

# DEPARTMENT OVERVIEWS

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- Revenue
- Executive & Legislative
- Finance & Administration
- Debt Service
- Police
- Fire
- Public Works
- Parks & Recreation
- Planning & Development

# BUDGET PROCESS OVERVIEW



## Budget Schedule for Council

May 10	May 17	June 7	June 21	July 1
<ul style="list-style-type: none"> <li>• Executive &amp; Legislative</li> <li>• Debt Service</li> <li>• Police</li> <li>• Fire</li> <li>• Public Works</li> <li>• Planning &amp; Development</li> <li>• Revenue</li> </ul>	<ul style="list-style-type: none"> <li>• Parks &amp; Recreation</li> <li>• CIP</li> <li>• ARP</li> <li>• Finance &amp; Administration</li> <li>• Compensation</li> </ul> <p><i>Set Hearing Date</i></p>	<ul style="list-style-type: none"> <li>• Public Hearing (Proposed)</li> <li>• Budget Amendments</li> </ul>	<ul style="list-style-type: none"> <li>• Budget Adoption (Proposed)</li> </ul>	<ul style="list-style-type: none"> <li>• Fiscal Year Begins</li> </ul>

TO CONSIDER: 1) Do you want more meetings on budget? 2) When do we schedule time for specific proposals to be presented/discussed (i.e. BDC Proposal, Sustainability)?

# WRAP-UP Council Discussion



## Direction:

- Compensation
  - Do you support bringing the 29 staff identified to minimums within the pay range?
  - Do you want staff to create funding models with higher COLA, no COLA, etc.?
- Workforce
  - Do you support right-sizing the workforce to help close the structural deficit? This ultimately results in reducing the workforce.
- Healthcare
  - Do you support employees with "single" coverage contributing \$50 per pay period for healthcare costs?
- ECDC
  - Do you want to explore alternative dispatching options, including bringing "in-house"?
- ARP Usage
  - Would you like to use more/less for revenue replacement?
- Fund Balance Usage
  - Would you like to use more/less for GF shortfall?
  - How do you want to move forward with the Fund Balance Policy?
- Long-Term Planning