

RESOLUTION 2022-22

DECLARING A DEFICIT REDUCTION POLICY FOR THE CITY OF WEBSTER GROVES

WHEREAS, the City of Webster Groves recognizes its fiscal responsibility to the residents and taxpayers; and

WHEREAS, the City values its employees and their dedication to the residents of Webster Groves; and

WHEREAS, the City desires transparency for its budget and financial outlook; and

WHEREAS, the City must create a plan for fiscal sustainability of the General Fund; and

WHEREAS, the City has created a Five-Year Fiscal Plan for the General Fund which reviewed the past performance of revenues and expenditures in the General Fund and also created forecasted estimated for the future years of the same; and

WHEREAS, the General Fund trend analysis contained within the Five-Year Fiscal Plan shows that the City's average annual growth of expenditures is 3.5705% compared to the average annual growth in revenue of 1.2127%; and

WHEREAS, the City is a service organization of which seventy-seven percent of the General Fund expenditures are allocated to personnel costs for performing City services; and

WHEREAS, the Fiscal Year 2023 General Fund budget requires the use of \$814,068.50 of unassigned fund balance and \$771,450.50 of federal American Rescue Plan funds as revenue to balance with expenditures;

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Webster Groves makes the following findings:

1. A structural deficit has and does exist in the General Fund of the City,
2. The growth of expenditures exceeding the growth of revenues has not been and is not sustainable for future fiscal years,
3. The forecasted estimate for the Fiscal Year 2024 General Fund budget is in deficit by an estimated \$2,059,156.33 not including any transfers from other funds of the City,
4. Fiscal responsibility demands that this structural deficit be eliminated; and

BE IT FURTHER RESOLVED, that the City Council of the City of Webster Groves declares the following to be the Deficit Reduction Policy of the City:

1. The City declares a lapse of \$1,000,000 of appropriated expenditures from the adopted Fiscal Year 2023 General Fund budget necessary and shall be undertaken,
2. The City declares that the rate of growth of expenditures, in total, must remain at zero growth from Fiscal Year 2023 to 2024,

3. The City, throughout Fiscal Year 2023, will dedicate actual revenues received in excess of budgeted estimates towards the fund balance of the General Fund,
4. The City is committed to the same or similar targets for FY 2024 and beyond, subject to City Council approval,
5. The City shall make all possible efforts to eliminate the deficit by the close of Fiscal Year 2025; and

BE IT FURTHER RESOLVED, that the City Council directs the City Manager to see that this policy is faithfully and judiciously implemented and that reports and review of progress shall be provided quarterly to the Council and made publicly available; and

BE IT FURTHER RESOLVED, that this Deficit Reduction plan also constitutes the plan for fund balance preservation and satisfies the demands of Resolution 2009-44, if so required for Fiscal Year 2023.

Passed and approved on this 21ST day of June, 2022.





Mayor

ATTEST:



City Clerk