**Finance Committee**
**Committee Meeting Agenda**
**February 13, 2018**
**5:30 PM**
**Administrative Conference Room**
**300 N New Ballas Rd**

**Call to Order**

**Roll Call**

**Approval of Agenda**

**Approval of Minutes**

- **Approval of January 9, 2018 Finance Committee Meeting Minutes**

**Reports**

- **Chairperson**
- **Audit Committee**
- **Pension Board**
- **Building Task Force**
- **Finance Director**
- **Council Liaison**

**New Business**

- **2nd Quarter Financial Report**
- **Proposed HBE Financial Impact**

**Unfinished Business**

- **Long Term Financial Projections**
- **Alternatives for Expenditure Reductions and Revenue Enhancements - 2018**
- **Determining the Financial Impact Development Proposals**
- **Capital Return on Investments**
- **Prop P Policy Follow Up**
- **Fund Balance Policy Follow Up**

**Finance Committee**
**Committee Meeting Agenda**
**February 13, 2018**
**5:30 PM**
**Administrative Conference Room**
**300 N New Ballas Rd**

**Other Business**

**Public Comments**

**Meeting Schedule**

**FY18 Meeting Schedule**

**Adjourn**

1. **Communications**

# Finance Committee
# Committee Meeting Minutes
# January 9, 2018
# 5:30 PM
# Administrative Conference Room
# 300 N New Ballas Rd

## 1. Call to Order

## 2. Roll Call

| | |
|---|---|
| Richard Kutta | Vice-Chairperson |
| Larry Potashnick | Board Member |
| Ronald Abeles | Board Member |
| Marjorie Richter | Board Member |
| Adam Shulenburger | Board Member |
| Phillip Hellwege | Chairperson |
| Tim Fogerty | Board Member |
| Debbie Loso | Assistant |
| Lori Obermoeller | Director of Finance |
| Mark Perkins | City Administrator |
| Tracy Brothers | Finance Clerk |
| James Faron | Council Liaison |

## 3. Approval of Agenda

### 1. Motion

| | |
|---|---|
| **RESULT:** | **ADOPTED [UNANIMOUS]** |
| **MOVER:** | Marjorie Richter, Board Member |
| **SECONDER:** | Ronald Abeles, Board Member |
| **AYES:** | Kutta, Potashnick, Abeles, Richter, Shulenburger, Hellwege, Fogerty |

## 4. Approval of Minutes

### Approval of November 7, 2017 Finance Committee Meeting Minutes

| | |
|---|---|
| **RESULT:** | **ACCEPTED [UNANIMOUS]** |
| **MOVER:** | Marjorie Richter, Board Member |
| **SECONDER:** | Ronald Abeles, Board Member |
| **AYES:** | Kutta, Potashnick, Abeles, Richter, Shulenburger, Hellwege, Fogerty |

## 5. Reports

### Chairperson

Chairperson had nothing to report at this time.

### Audit Committee

Ms. Richter stated the Audit Committee has not met since last Finance Committee meeting. Mr. Perkins stated the City Council voted to extend the contract with the current Auditors, Schowalter & Jabouri, for an additional two years.

### Pension Board

Mr. Potashnick stated the Committee has not met since the last Finance Committee meeting.

### Building Task Force

Mr. Kutta stated the results of the bidding exercise was presented to the City Council at their work session held on Monday, January 8, 2018. The contractor selected is United Constructors. Project is currently projected to be under budget.

### Finance Director

Ms. Obermoeller stated she had nothing to report.

Mr. Hellwege suggested adding the Council Liaison to the section for reports.

## 6. New Business

### Review of Service Costs

Mr. Perkins stated that the City now has 6 months under the current budget, the City is reviewing and assessing where the City stands in the long range projections. For the past 13 or 14 years the City has always worked with a surplus of operating funds, however this year the City may not. Mr. Perkins stated that the City is currently in the process of reviewing positions as they come open, whether to fill them, eliminate or postpone filling until a later date. There are currently a few positions open within the City. The Police Department in not currently one they are looking at eliminating positions. The Committee discussed the areas for possible cost savings outlined in Mr. Perkins memo. Mr. Perkins stated that at the February 26th work session City staff has planned to present a current analysis of the service cost and use as a starting point for discussion for the upcoming budget planning.

Mr. Perkins stated that the staff's goal is to provide more specific information on services, cost savings, and the goal is to have the information for the Committee at the next meeting scheduled on February 13th. Then the information would be used as a basis of discussion at the next Council work session. He asked the Committee to join the work session on Monday, February 26th at 6:00 PM. The Council will be reviewing long range projections, preview the budget and other issues of concern.

Mr. Kutta requested an email be sent to the Committee outlining the Council work sessions schedule.

### Reveiw of Revenue Sources

The Committee discussed the option of a use tax for the City. This would require the vote of the people. There are several surrounding municipalities adding this item to their ballot at the next election. Mr. Kutta stated the City would have to present to the residents that the City has exhausted all cost savings available. That are total of 24 municipalities County wide that have the use tax. There are currently 6 local municipalities that have the use tax out of the 13 the City uses as comparisons to Creve Coeur.

# Finance Committee
# Committee Meeting Minutes
# January 9, 2018
# 5:30 PM
# Administrative Conference Room
# 300 N New Ballas Rd

### Capital Return on Investments

Deferred to next meeting

| | |
|---|---|
| **RESULT:** | **DEFERRED [UNANIMOUS]** |
| **AYES:** | Kutta, Potashnick, Abeles, Richter, Shulenburger, Hellwege, Fogerty |

### Economic Impact on New Business

Mr. Faron stated the Council had a discussion about the Committee's previous meetings request about using the Committee's expertise during purposed development projects within the City. Mr. Perkins stated the Council is receptive to hearing comments from the Committee about the economics of large projects. Mr. Perkins stated that the City would provide whatever data possible on the project. The Committee could review the information and make a recommendation in the form of a letter from the Chair which could be delivered in person or by the Liaison at a meeting. The Committee further discussed how the Committee would go about receiving the information, reviewing and making the recommendation. Mr. Kutta stated he would put together a document for the review process by the next meeting for the Committee to discuss.

### Citizens Survey - see link below on packet page 26

The Committee discussed how to incorporate some of the discussion items from the cost of services into the citizen's survey.  This could give the City a good incite to what the residents would be or not be willing to give up. The survey is scheduled to be completed by March and sent out randomly to residents in mid-April and middle of May.

## 7. Unfinished Business

### Prop P Policy Follow Up

| | |
|---|---|
| **RESULT:** | **DEFERRED [UNANIMOUS]** |
| **AYES:** | Kutta, Potashnick, Abeles, Richter, Shulenburger, Hellwege, Fogerty |

### Fund Balance Policy Follow Up

| | |
|---|---|
| **RESULT:** | **DEFERRED [UNANIMOUS]** |
| **AYES:** | Kutta, Potashnick, Abeles, Richter, Shulenburger, Hellwege, Fogerty |

### Update of Software Purchase

Ms. Obermoeller reviewed the memo on the software purchase with the Committee. She covered all the process the software will cover for all the departments.

## 8. Other Business

### FY18 Meeting Schedule

# Finance Committee
# Committee Meeting Minutes
# January 9, 2018
# 5:30 PM
# Administrative Conference Room
# 300 N New Ballas Rd

| | |
|---|---|
| **RESULT:** | **DEFERRED [UNANIMOUS]** |
| **AYES:** | Kutta, Potashnick, Abeles, Richter, Shulenburger, Hellwege, Fogerty |

## 9. Public Comments

## 10. Adjourn

### 1. Adjourn Meeting

| | |
|---|---|
| **RESULT:** | **ADOPTED [UNANIMOUS]** |
| **MOVER:** | Richard Kutta, Vice-Chairperson |
| **SECONDER:** | Ronald Abeles, Board Member |
| **AYES:** | Kutta, Potashnick, Abeles, Richter, Shulenburger, Hellwege, Fogerty |

## 11. Communications

# MEMORANDUM

**DATE:** January 18, 2018

**TO:** Mark Perkins, City Administrator

**FROM:** Lori Obermoeller, Director of Finance

**SUBJECT:** Second Quarter FY 2018 Financial Analysis

Attached is a financial report for the two major operating funds (General Fund & Municipal Enterprise Fund) for the 2nd quarter of FY 2018. In addition, I have commented on the Capital Fund for FY 2018. Some of the fluctuations in both revenues and expenditures worth discussion are as follows:

1. **General Fund**
   a. Revenues
      Overall, revenues for FY 2018 are 22,583 less than revenues for the same time period in FY 2017. The decreases are primarily in the areas of:
      - Property Taxes - down $71,298, but this is a timing issue from St. Louis County
      - Court Fees - down $115,344 and based on this continual decrease, we probably won't even get to $400,000 for FY 2018, which is $200,000 below budget

      However, below are some of the revenue sources that have increased:
      - Licenses and Permits – up $146,042 more the FY 2017 due to business license revenue coming in sooner than last year, and an increase in building permits ($116,090) and subdivision plat fees ($15,509)

   b. Expenditures
      Expenditures for the General Fund are $266,805 more than the same time period in FY 2017 due to the following:
      - Police – all of the pension contribution for the Legacy DB Plan was paid by 12/31 instead of spreading it out over 4 quarters like the City has done in the past

The overall net change (deficit) for FY2018 is $289,388 more than the overall net change (deficit) for FY2017 but as stated above that is primarily because the City chose to pay the entire contribution to the Legacy DB Pension Plan the 1st half of the year instead of spreading it out over 4 quarters, which overall saved interest costs.

When you compare the actual year to date numbers with the budget, however, we are about where we were percentage-wise to FY 2017 and about where we should be for FY 2018 budget.

Communication: 2nd Quarter Financial Report (New Business)

2. **Municipal Enterprise Fund**
   a. Revenues
   Overall, Revenues for the Enterprise Fund are $131,563 less than what was received in FY 2017, but within the budget for FY 2018. Last year at this time, we received a one-time payment of $120,000 for the Dielmann Tower Lease.

   b. Expenditures
   Expenditures are $8,745 more than last year with most of that being due to an increase in operational costs, such as utilities and supplies.

We budgeted an increase in revenues and expenditures for the Enterprise Fund and everything seems to be on track with the budget.

3. **Capital Fund**
   a. Revenues
   At this time, revenues for the Capital Fund are only up $10,368 from last year, which is due to the Capital Sales Tax.

   b. Expenditures
   Expenditures are at $857,896 more than last year, but most of these expenditures are within the FY 2018 budget. Ladue Road was one project that was not originally budgeted or anticipated, which accounts for most of the increase over last fiscal year. There are a few projects that are over budget, but staff will be presenting a budget amendment at the next council meeting to reallocate some funds. Some of the major expenditures for FY2018 are as follows:
   - Golf Course Cart Path Project - $378,260.10
   - Park Bridge Replacement - $31,970.77
   - Alden Lane Culvert Improvements - $141,935.71
   - Ladue Road - $756,418.34
   - Asphalt - $208,532.75
   - Concrete - $619,462.59
   - Microsurfacing - $247,078
   - Olympia Ice Resurfacer - $69,500

I would be pleased to respond to any questions.

# City of Creve Coeur
## Statement of Revenues and Expenditures
## As of December 31, 2017
## FY 2018

| | Annual Budget | Adjusted Budget | YTD Actual | YTD Encumb | 2018 Actual As % of Adjusted Budget | *2017 2nd Qtr Actual* | *2017 Actual As % of Budget* |
|---|---|---|---|---|---|---|---|
| **General Fund Revenues:** | | | | | | | |
| Property Taxes | 552,000 | 552,000 | 156,016 | | 28.3% | 227,314 | 40.4% |
| Utility Taxes | 5,862,000 | 5,862,000 | 3,024,176 | | 51.6% | 3,029,718 | 48.6% |
| Intergovernmental | 7,293,000 | 7,143,000 | 2,863,834 | | 40.1% | 2,880,589 | 42.1% |
| Licenses and Permits | 977,650 | 977,650 | 539,760 | | 55.2% | 393,718 | 43.4% |
| Charges for Municipal Services | 103,060 | 103,060 | 44,377 | | 43.1% | 45,550 | 38.8% |
| Municipal Court | 600,000 | 600,000 | 197,308 | | 32.9% | 312,651 | 31.3% |
| Interest Revenue | 210,000 | 210,000 | 121,686 | | 57.9% | 57,597 | 32.9% |
| Other Revenues | 325,268 | 325,268 | 171,828 | | 52.8% | 194,429 | 63.2% |
| Transfers | 0 | 0 | 0 | | 0.0% | 0 | 0.0% |
| **Total Revenues** | **15,922,978** | **15,772,978** | **7,118,984** | | **45.1%** | **7,141,567** | **44.2%** |
| **General Fund Expenditures:** | | | | | | | |
| Legislative Services | 474,982 | 474,982 | 227,791 | 3,000 | 48.0% | 209,725 | 51.2% |
| Administrative Services | 1,076,511 | 1,076,511 | 420,052 | 235,882 | 39.0% | 402,459 | 32.8% |
| Finance Department | 573,632 | 573,632 | 313,577 | 0 | 54.7% | 327,023 | 52.8% |
| Municipal Court | 258,351 | 258,351 | 118,241 | 14,666 | 45.8% | 150,815 | 44.5% |
| InterDepartmental | 495,901 | 495,901 | 309,039 | 23,500 | 62.3% | 371,875 | 66.7% |
| Community Services | 118,342 | 118,342 | 49,952 | 0 | 42.2% | 46,865 | 38.7% |
| Maint. of Municipal Prop. | 355,303 | 355,303 | 168,225 | 28,654 | 47.3% | 172,283 | 44.4% |
| Police Department | 7,477,500 | 7,477,500 | 3,790,741 | 392,446 | 50.7% | 3,554,308 | 48.8% |
| Public Works - Admin. | 617,035 | 617,035 | 311,760 | 2,615 | 50.5% | 273,724 | 50.4% |
| Street Maintenance | 1,669,477 | 1,704,477 | 733,067 | 175,848 | 43.0% | 788,648 | 46.2% |
| Health and Environment | 774,500 | 774,500 | 365,510 | 377,724 | 47.2% | 334,685 | 41.1% |
| Park Maintenance | 516,730 | 516,730 | 226,783 | 16,766 | 43.9% | 194,657 | 37.1% |
| Community Development | 1,472,994 | 1,472,994 | 767,115 | 5,000 | 52.1% | 707,981 | 50.2% |
| Annual Infrastructure Maintenance | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Expenditures** | **15,881,258** | **15,916,258** | **7,801,852** | **1,276,100** | **49.0%** | **7,535,047** | **47.2%** |
| **Total Operating Surplus (-Deficit)** | **41,720** | **(143,280)** | **(682,868)** | | | **(393,480)** | |
| **Transfers To Other Funds** | **525,000** | **525,000** | **0** | | | **0** | |
| **Operating Revenues Over (under) Expenditures** | **(483,280)** | **(668,280)** | **(682,868)** | | | **(393,480)** | |

# City of Creve Coeur
## Statement of Revenues and Expenditures
## As of December 31, 2017
## FY 2018

| | Annual Budget | Adjusted Budget | YTD Actual | YTD Encumb | 2018 Actual As % of Adjusted Budget | *2017 2nd Qtr Actual* | *2017 Actual As % of Budget* |
|---|---|---|---|---|---|---|---|
| **Municipal Enterprise Fund Revenues:** | | | | | | | |
| Golf Course | 385,350 | 385,350 | 198,292 | | 51.5% | 195,536 | 48.7% |
| Food Service | 56,000 | 56,000 | 31,518 | | 56.3% | 29,229 | 46.9% |
| Ice Arena | 614,995 | 614,995 | 304,823 | | 49.6% | 433,754 | 21.0% |
| Other Revenues | 700 | 700 | 345 | | 49.3% | 8,022 | 1145.0% |
| Capital Contribution | 0 | 0 | 0 | | 0.0% | 0 | 0.0% |
| **Total Revenue** | **1,057,045** | **1,057,045** | **534,978** | **0** | **50.6%** | **666,541** | **42.2%** |
| **Municipal Enterprise Fund Expenditures:** | | | | | | | |
| Golf Course | 489,653 | 489,653 | 256,098 | 2,090 | 52.3% | 255,029 | 49.0% |
| Food Service | 41,010 | 41,010 | 27,846 | 3,289 | 67.9% | 20,871 | 49.3% |
| Ice Arena | 528,588 | 532,483 | 233,559 | 11,533 | 43.9% | 232,858 | 48.9% |
| Depreciation | 0 | 0 | | | 0.0% | 0 | 0.0% |
| **Total Expenditures** | **1,059,251** | **1,063,146** | **517,503** | **16,912** | **50.3%** | **508,758** | **49.0%** |
| **Total Operating Surplus (-Deficit)** | **(2,206)** | **(6,101)** | **17,475** | | | **157,782** | |
| **Transfers to other Funds** | **0** | **0** | **0** | | | **0** | |
| **Operating Revenues Over (Under) Expenditures** | **(2,206)** | **(6,101)** | **17,475** | | | **157,782** | |

Communication: 2nd Quarter Financial Report (New Business)

# City of Creve Coeur
## Statement of Revenues and Expenditures
## As of December 31, 2017
## FY2018

| | Annual Budget | Adjusted Budget | YTD Actual | YTD Encumb | 2018 Actual As % of Adjusted Budget | *2017 2nd Qtr Actual* | *2017 Actual As % of Budget* |
|---|---|---|---|---|---|---|---|
| **Capital Improvement Fund Revenues:** | | | | | | | |
| Intergovernmental | 2,108,030 | 2,108,030 | 1,047,292 | 0 | 49.7% | 1,038,141 | 50.0% |
| Interest Revenue | 7,500 | 7,500 | -10 | 0 | -0.1% | -417 | -27.8% |
| Other Revenues | 427,045 | 427,045 | 56,336 | 0 | 13.2% | 55,525 | 6.6% |
| **Total Revenues** | **2,542,575** | **2,542,575** | **1,103,617** | **0** | **43.4%** | **1,093,249** | **37.4%** |
| **Capital Improvement Fund Expenditures:** | | | | | | | |
| Building & Improvements | 95,000 | 95,000 | 0 | 0 | 0.0% | 13,344 | 3.5% |
| Park Development Projects | 330,000 | 754,422 | 434,711 | 266,238 | 57.6% | 72,686 | 37.1% |
| Storm water Projects | 320,000 | 470,125 | 141,936 | 28,089 | 30.2% | 10,618 | 2.3% |
| Street Overlay/Repair | 2,213,000 | 3,312,324 | 1,855,849 | -274,739 | 56.0% | 1,519,457 | 51.0% |
| Capital Equipment | 484,638 | 484,638 | 69,500 | 225,472 | 14.3% | 27,995 | 7.5% |
| **Total Expenditures** | **3,442,638** | **5,116,509** | **2,501,996** | **245,061** | **48.9%** | **1,644,100** | **37.4%** |
| **Total Operating Surplus (-Deficit)** | **(900,063)** | **(2,573,934)** | **(1,398,378)** | | | **(550,850)** | |
| **Transfers in from General Fund** | **525,000** | **525,000** | **0** | | | **0** | |
| **Operating Revenues Over (Under) Expenditures** | **(375,063)** | **(2,048,934)** | **(1,398,378)** | | | **(550,850)** | |

Lori Obermoeller <lobermoeller@crevecoeurmo.gov>

# Proposed HBE Hotel - Economic Impact

1 message

**Mark Perkins** <mperkins@crevecoeurmo.gov> Fri, Feb 9, 2018 at 12:04 PM
To: Lori Obermoeller <lobermoeller@crevecoeurmo.gov>

Lori,

This information will be useful for the Finance Committee in its discussion regarding the economic impact of the proposed hotel development. Based on the information provided by the owner below, the assessed value would increase from its current $11.1 million to $40 million. Real estate tax revenue to all taxing entities combined, annually:

- Current: $378,674
- Proposed Development: $1,364,494

In addition, the owner has previously provided projections of $11 million in annual sales, generating approximately $200,000 in local sales tax. The city's electric utility tax receipts are estimated at $40,000 annually, based on the estimated usage provided below.

Sincerely,

Mark Perkins

City Administrator

City of Creve Coeur

300 N. New Ballas Road

Creve Coeur, MO 63141

314-872-2511

mperkins@crevecoeurmo.gov

www.crevecoeurmo.gov

**From:** Fritz Kummer [mailto:fritz@fritzkummer.com]
**Sent:** Thursday, February 01, 2018 12:22 PM
**To:** mperkins@crevecoeurmo.gov
**Subject:** Average Energy Statistic for Hotel Properties.

Mark,

To answer your second question the city should be able to reap the benefits of the entire project being valued at nearly $30M over its present approximate $10M valuation. $26M being attributable to the hotel and $14M to the two out parcels.

Fritz

Mark,

Didn't expect to be getting back to you on part of your inquiry but since I got the information, there is no need to hold it back.

Dave Henning, the head electrical person for HBE, found the attached article on power usage in hotels. His initial calculations for the Creve Coeur Grand Hotel property fell in line with the figures discussed in the article, so I would say the following calculations are a fair estimate.

| | | |
|---|---|---|
| Number of Available Rooms: | 261 | |
| Electric Usage per Available Room (industry avg.): | $2,196 | |
| Total Estimated Electric Cost for CC Hotel: | $573,156 | |
| Estimated Electric Energy Cost % for CC Hotel: | | 5.6% |

Hope this is helpful.

I will get the answer to your other question when I can talk with Fred later today or tomorrow.

Call or email me if I can be of any further assistance!

Sincerely,

Fritz Kummer

**From:** DHenning@hbecorp.com [mailto:DHenning@hbecorp.com]
**Sent:** Thursday, February 1, 2018 11:36 AM

# Hotels: An Overview of Energy Use and Energy Efficiency Opportunities

## Energy Use in Hotels

On average, America's 47,000 hotels spend $2,196 per available room each year on energy. This represents about 6 percent of all operating costs. Through a strategic approach to energy efficiency, a 10 percent reduction in energy consumption would have the same financial effect as increasing the average daily room rate (ADR) by $0.62 in limited-service hotels and by $1.35 in full-service hotels.

Energy efficiency provides hotel owners and operators cost savings that benefit the bottom line. Efficiency also improves the service of capital equipment, enhances guest comfort, and demonstrates a commitment to climate stewardship.

## Energy Efficiency Opportunities

### Low-Cost Measures

> Measure and track energy performance.
> Develop an energy team and assign responsibilities to pursue energy efficiency in all departments.
> Review and emphasize the financial and environmental results of a preventive maintenance program for major systems and components.
> Ensure that team members from every department are trained in the importance of energy management and basic energy-saving practices.
> Set goals and a methodology to track and reward improvements.

### Cost-Effective Investments

> Recommission primary systems to ensure continuous efficiencies.
> Install energy-efficient lighting systems, ENERGY STAR qualified compact fluorescent lights (CFLs), and light-emitting diode (LED) exit signs.
> Install occupancy sensors on lighting and HVAC systems in back-of-house spaces, meeting rooms, and other low-traffic areas.

**Hotels Making a Difference:**

After receiving the ENERGY STAR Partner of the Year Award in 2005 and 2006, Marriott International's company-wide continuous improvement in energy management helped the organization win the prestigious ENERGY STAR Sustained Excellence designation in 2007. In 2006 alone, Marriott was able to save almost $6 million and reduce its greenhouse gas emissions by 70,000 tons. The program included the installation of 450,000 compact fluorescent light bulbs (CFLs), conversion of all outdoor signage to LED and fiber optic lighting, and implementation of energy- and water-efficient laundry systems. Through its reduction in energy consumption, Marriott's efforts represent a 2 percent greenhouse gas reduction per room — well on the way to the corporate goal of 6 percent savings per available room by 2010.

In 2004, the historic Willard InterContinental in Washington, DC, installed CFLs in common areas and guest rooms. According to hotel management, guest complaints of lighting quality have decreased. As a result of this upgrade, which pai for the initial investment in less than six months, the hotel is saving one million kilowatt hours and more than $100,000 annually. By rating the property using ENERGY STAR's Portfolio Manage tool, management has been able to track whole building energy savings of 11 percent over this period.

## How to Talk to Hoteliers About Energy Efficiency

Guest satisfaction is the number one priority in the hospitality sector, and hotel operators are often hesitant to engage in activities that could be perceived as reducing comfort, convenience, or the overall brand experience. However, energy represents the single fastest-growing operating cost in the lodging industry. There is a well-established case for energy efficiency as a sound business practice, and expectations for hoteliers to demonstrate their climate stewardship are growing.

Improved operating income translates to higher asset value for owners. Cost reductions through energy efficiency are quantifiable and can be described using key financial metrics, such as revenue per available room (RevPAR) or the equivalent increase to the ADR.

ENERGY STAR® is a government-backed program helping businesses and individuals protect the environment through superior energy efficiency.

energy

LEARN MORE AT energystar.gov

Communication: Proposed HBE Financial Impact (New Business)

# Hotels: An Overview of Energy Use and Energy Efficiency Opportunities

## How to Talk to Hoteliers About Energy Efficiency (cont.)

Making these linkages is an essential part of developing a sustained approach to continuous improvements in energy and financial performance in lodging properties.

Through ENERGY STAR tools, the environmental outcomes of implementing successful efficiency programs can be tracked and demonstrated, becoming a hotelier's leading "green credential."

**ENERGY STAR Offers**

- Guides and manuals
- Facility benchmarking
- Training
- Institutional purchasing
- Technical support
- Emissions reporting
- Third-party recognition
- Communications strategies

## ENERGY STAR Resources

**Guidelines for Energy Management:** Based on the successful practices of ENERGY STAR partners, these guidelines assist hoteliers in improving their energy and financial performance while distinguishing themselves as environmental leaders.
**www.energystar.gov/guidelines**

**Portfolio Manager — Measure and Track Energy Performance:** The National Energy Performance Rating Systems allows property operators to compare their energy performance to their peers, using an easy-to-understand 1 to 100 scale based on unbiased research conducted by the Environmental Protection Agency. Training on how to use the tool is available through Web seminars and downloadable pre-recorded sessions.
**www.energystar.gov/benchmark**

**Perform Cost-Effective Building Upgrades:** Plan systematic building upgrades using the 5-stage approach in EPA's Building Upgrade Manual. This online handbook offers guidance for each stage — from commissioning to plant upgrades.
**www.energystar.gov/bldgmanual**

**Other Resources for Hotels:**

The American Hotel and Lodging Association's (AH&LA) Good Earthkeeping Campaign:
**http://www.ahla.com/good_earth_overview.asp**

Green Lodging News:
**http://www.greenlodgingnews.com**

Hotel & Motel Management:
**http://www.hotelmotel.com/hotelmotel**

## Recognition for Achievements

**Earn the ENERGY STAR:** Buildings that rate in the top 25 percent of energy-efficient buildings in the nation may qualify for the ENERGY STAR label.
**www.energystar.gov/eslabel**

**Become an ENERGY STAR Leader:** ENERGY STAR Partners who demonstrate continuous improvement portfolio-wide, not just in individual buildings, qualify for recognition as ENERGY STAR Leaders. EPA will recognize districts that have achieved reductions of 10 percent, 20 percent, 30 percent, or more.
**www.energystar.gov/leaders**

For more information on ENERGY STAR tools, resources, and recognition for hotels: **www.energystar.gov/hospitality**

**GENERAL FUND**
**FINANCIAL PROJECTIONS - DRAFT 2/9/18**

The General Fund is used to account for all activities associated with the general government of the City and funds all services except those services attributed to the Capital Improvement Fund, Employees Retirement Fund, Municipal Enterprise Fund, Sewer Lateral Fund and Public Safety Fund (new FY 2018).

Fiscal year 2018 budget revenues and transfers-in to the General Fund are estimated to be less than budgeted expenditures and transfers out by $1,942,626. This is primarily due to an unexpected transfer out of the General Fund to the Capital Fund to cover the Ladue Road Emergency Project (approx. $800K). We moved Public Safety Sales Tax out of the General Fund, which reduced the budget for FY 2018, but overall revenues were still significantly lower than anticipated. Expenditures were also lower than anticipated, thereby offsetting some of the under producing Revenues, but had grown almost 4.5% more than FY 2017.

The Fiscal Year 2019 General Fund budget anticipates a $1,589,199 deficit including transfers. Revenues are anticipated to decrease in FY 2019 due to a one-time Ameren lawsuit settlement in FY 2018, as well a decline in Sales Tax, Utility Taxes and Court Revenues. Expenditures are expected to grow only 1.66% due to one-time purchase of financial software (approximately 185K) in FY 2018.

The following table and graph shows the position of the General Fund balance over the next five years, based on estimated numbers as of June 30, 2018 and incorporates the following assumptions:

- Assumes FY 2018 base year.
- Operating revenues will increase approximately .64% to .74% from FY 2019 through FY 2023.
- Salary expenditures will increase at 2% in FY 2019 and 2020. Then increase 3% in FY 2021, 2022 and 2023. Benefits and Welfare will increase 5% annually (excluding pension). Pension will increase in FY 2019 by 5% and then only 2% for future years. Total Personnel expenditures will incresae 2.5% - 3.16% through FY 2023.
- Operating expenditures will increase 2% for contractual services and 2% for commodities annually.
- Overall expenditures will increase 2.32% to 2.8% from FY 2019 through FY 2023.
- Property tax rates will increase to the maximum level, which will add about $100,000 in FY2019.
- Reserve 2.0 million of GF Balance for City Facilities in FY 2019 and will remain reserved in the future.

| | FY 2018 | FY 2019 | FY 2020 |
|---|---|---|---|
| Balance, Beginning of year | $ 14,762,004 | $ 12,819,378 | $ 11,230,179 |
| Revenues | 14,798,633 | 14,609,376 | 14,717,461 |
| Expenditures | (15,541,259) | (15,798,575) | (16,164,657) |
| Operating transfers - In | 0 | 0 | 0 |
| Operating transfers - out (Enterprise) | 0 | 0 | 0 |
| Operating transfers - out (Capital) | (1,200,000) | (400,000) | (400,000) |
| Operating transfers - out (Capital-Law Enforcement) | 0 | 0 | 0 |
| RESERVE GF BALANCE FOR CAPITAL CONST. | 2,000,000 | 2,000,000 | 2,000,000 |
| Unassigned Fund Balance (cash basis) | $ 10,819,378 | $ 9,230,179 | $ 7,382,983 |
| **TOTAL FUND BALANCE CASH BASIS** | $ 12,819,378 | $ 11,230,179 | $ 9,382,983 |

| | FY 2021 | FY 2022 | FY 2023 |
|---|---|---|---|
| Balance, Beginning of year | $ 9,382,983 | $ 7,183,714 | $ 5,015,817 |
| Revenues | 14,815,116 | 14,910,619 | 15,013,774 |
| Expenditures | (16,614,385) | (17,078,516) | (17,557,561) |
| Operating transfers - in | 0 | 0 | 0 |
| Operating transfers - out (Enterprise) | 0 | 0 | 0 |
| Operating transfers - out (Capital) | (400,000) | 0 | 0 |
| Operating transfers - out (Capital-Law Enforcement) | 0 | 0 | 0 |
| RESERVE GF BALANCE FOR CAPITAL CONST. | 2,000,000 | 2,000,000 | 2,000,000 |
| Unassigned Fund Balance (cash basis) | $ 5,183,714 | $ 3,015,817 | $ 472,030 |
| **TOTAL FUND BALANCE CASH BASIS** | $ 7,183,714 | $ 5,015,817 | $ 2,472,030 |

Communication: Long Term Financial Projections (Unfinished Business)

## ALTERNATIVES FOR EXPENDITURE REDUCTIONS

## AND REVENUE ENHANCEMENTS - 2018

Below is an outline of alternatives for both expenditure reductions and revenue enhancements. The city's operating deficits are projected as follows, based on February 2018 projections:

FY 2019 - $ 1.2 million

FY 2021 - $ 1.8 million

**Expenditures**

1. Wages and Benefits

    a. Each 1% of salary increases costs approximately $54,000 (assumes no changes made to grade min and max);
        - Reducing the normal annual salary increase amount from 3% to 1.5% will result in a savings of $81,000;
        - Eliminating pay increases will result in a savings of $162,000.

    b. Defer filling or eliminate four vacant full-time positions:
        1. Public Works Maintenance Worker II/Mechanic = $80,845
        2. Public Works Civil Engineer = $97,147
        3. Police Traffic Safety Officer $58,800 (grant pays for other 50%)
        4. Police Support Services Aide = $62,740 (FT cost) - $28,652 (PT cost) = $34,088

        Total Savings, 4 FT positions = $270,880

    c. Increase employee share of health insurance premiums for dependent coverage from 20% to 25% savings of $32,234

2. Service Levels and Funding Alternatives

    a. Curbside trash and recycling service, currently paid 100% by City.

        - Savings to city based on 75% city funding / 25% user fee: $193,750
        - Savings to city based on 50% city funding / 50% user fee: $387,500
        - Savings to city based on 100% user fee: $775,000

    b. Leaf vacuuming

        i. Total Cost of leaf vacuuming service is $312,896 annually including both hard and soft costs; soft costs include staff salaries and equipment that would need to be retained for other services if leaf vacuuming service is eliminated. Total savings if the program is eliminated: 202,096

        ii. Reduce service to 2 collections in fall, 1 time in spring; savings: $101,048

iii. Consider user fee, but thereby creating a significant administrative billing and collection process; savings would be less new administrative costs associated with billing and collection, loss of efficiency due to serving only subscribing homes.

c. Limb chipping

i. Total Cost of limb chipping service is $350,500 annually including both hard and soft costs; soft costs include staff salaries and equipment that would need to be retained for other services if limb chipping service is eliminated. Total savings if the program is eliminated: $241,300

d. Snow removal on private streets

i. consider discontinuing this service or establishing user fee - $48,000

3. **Opportunities for Joint Service arrangements with other cities**, St. Louis County and outsourcing exist in a variety of areas. The city has entered into intergovernmental agreements for police dispatching, health, worker's compensation and liability insurance, and purchasing over the years, resulting in substantial savings.

   a. A future opportunity for joint service is the consolidation of municipal courts, resulting in savings of $25,000 to $50,000.

4. Other

   a. Public Works has reduced the size of our two-ton fleet to nine trucks and reduced the number of leaf vacuums to nine unit. We have also started purchasing half of the one-ton fleet without plow and spreaders. This has been made possible by purchasing diesel powered trucks and vacuums which require less maintenance and are more reliable. Reduction of these areas of our fleet have resulted in lower maintenance costs, better performance, as well as allowing purchase cycles to be extended therefore lowering our annual CIP Equipment purchase costs.

   b. Reduce printing of newsletter from monthly to bi-monthly, issuing the newsletter in electronic form in the other months. Savings: $25,000

   c. Special Event Activities

      i. Replace annual commissions dinner with a summer picnic; Savings: $5,000; savings if event is eliminated entirely: $10,000

      ii. Eliminate subsidy of Farmer's Market; : $5,000 - $10,000

**Alternatives for Revenue Increases**

1. Consider ordinance to increase the gross receipts tax rate, currently 7%, except residential electric is 5.5% and cable TV is 5%. Potential revenue:

    a. Each 1% increase in residential electric gross receipts - $126,000

    b. Each 1% increase in commercial electric gross receipts - $341,000

    c. Each 1% increase in all utilities gross receipts (except cable) - $776,000

2. Consider increasing real estate tax to cap. Potential revenue: $100,000

3. Consider seeking voter approval of an increase in business license fees; Potential additional revenue: $200,000 to $600,000

4. Consider placing the Local Option Use Tax on the ballot, which is primarily a business – to business tax on out of state purchases not subject to the local sales tax. Potential revenue $340,000

5. Consider placing Parks and Storm water sales tax on the ballot, a portion of which could be used to offset park operating costs of $400,000, with the balance being used to fund park and storm water capital projects.

6. Business License Compliance Audit – to be conducted summer 2018; Estimated Revenue $20,000 - $30,000

7. Review planning & zoning and building permit fees – currently underway.

Mark Perkins

City Administrator

February 9, 2018

**FINANCE COMMITTEE DISCUSSION DRAFT**

**Fiscal Impact Analysis of Large Development Projects**

**(Rev 0)**

A Fiscal Note shall be prepared for private or public development projects. Qualifying projects are those requiring authorizing legislation such as a zoning change, Conditional Use Permit, or unreimbursed expenditure that are expected to generate additional municipal revenue and cost. Only measurable cash flows shall be considered, excluding secondary economic development effects, social, or environmental impacts. Community Development staff shall provide Fiscal Note to City Council prior to first reading of the authorizing legislation.

Fiscal Note shall include typical revenue sources such as: sales, use and property tax, real estate tax and utility franchise fees. Costs are increases to municipal operating costs such as public works, police, administration, and community development following proposal adoption. The project developer shall provide the Community Development Department with estimated taxable sales revenue, employees, operating hours, customer traffic and other factors. City staff departments shall estimate employee effort hours directly traceable to project approval and operation. Projects expected to incur less than $50,000 annual incremental operating cost are exempt. All projects expected to incur unreimbursed incremental capital cost shall have a Fiscal Note. A six-year planning horizon shall be used.

The fiscal statement result is the base marginal benefit/cost ratio, determined by assessing the change in municipal revenue and expenses, with and without the project. A sensitivity analysis shall be performed by comparing base and adjusted marginal benefit/cost ratio calculated by increasing operating costs 25% and reducing benefit 25%.

**City of Creve Coeur**

**Proposition P Public Safety Funds – Policy Draft**

Missouri statutes require revenues from the law enforcement sales tax to be used for police and public safety purposes.

Funds initially will be used for furniture, fixtures, equipment including technology and audio-visual equipment for the new Police Station, up to $325,000.

Thereafter, the policy on the use of funds will be as follows, subject to annual review by the City Council:

1) Police operating costs – 60%
    a) Future police compensation increases as may be needed to maintain competitive salaries and benefits.
    b) Training
    c) Contractual and other expenditures to maintain police service levels.
2) Public safety capital expenditures – 15%
    a) Police equipment and capital improvements, including technology and communication upgrades, enhanced in-car cameras
    b) Public safety improvements such as security enhancements at city facilities or parks; or future improvements to the new police station
3) Police building maintenance and operating costs - 15%
4) Reserve for police pension liability - 10 %



July 2017

**CITY OF CREVE COEUR, MISSOURI**

**GOVERNMENTAL ACCOUNTING**
**FUND BALANCE CLASSIFICATIONS AND POLICY**

**Adopted November 28, 2011; Revised November 27, 2017**

***Background***

The Governmental Accounting Standards Board (GASB) is an independent, private-sector, not-for-profit organization that, through an open and thorough due process, establishes and improves standards of financial accounting and reporting for U.S. state and local governments. These governments and the accounting industry in general, recognize the GASB as the official source of authority for generally accepted accounting principles (GAAP) applicable to state and local governments. While the GASB does not have specific enforcement authority to require government to comply with its standards, compliance with the GASB's standard is enforced through the external audit process where auditors render opinions on the fairness of presentations in conformity with GAAP. In addition, the municipal bond industry places a great deal of importance on governments issuing debt to prepare their financial statements on a GAAP basis.

This policy addresses GASB Statement No. 54 which redefines the classification of fund balance in the governmental funds. Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions, was issued in March 2009 to enhance how fund balance information is reported, to improve its usefulness in the decision-making process and to provide fund balance categories and classifications that will be more easily understood. It further delineates fund balance based on the spendable makeup of the fund's cash and net assets portions fund balance. The previously used "Reserved" component of fund balance will be eliminated in favor of a new classification called Restricted Fund Balance. This will enhance the consistency between information reported in the government-wide statements and information in the governmental fund statements and avoid confusion about the relationship between Reserved Fund Balance and Restricted Net Assets. The requirements of this statement are effective for financial statements prepared for periods ending June 30, 2011 and thereafter. Therefore, it is effective for the City of Creve Coeur's June 30, 2011 financial statements and all subsequent annual financial statements until superseded.

***Policy***

Fund balance refers to the difference between assets and liabilities in the governmental funds balance sheet. (Note – A somewhat similar term for the City's Enterprise Funds, such as the Dielmann Complex operation, would bet 'Net Assets'. However, those recreation accounts are not required to be affected by this policy, but can and may be included for budgetary and internal reporting purposes.) Fund balance information is one of the most widely used elements of state and local government financial statements and is invaluable in the budgeting process.

The new standard for Fund Balance components requires that governmental funds report classifications that consist of a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those accounts can be spent. This includes external as well as internal constraints on the net assets contained within the fund's balance such as financial stabilization.

The City of Creve Coeur has enacted the following policy in an effort to ensure financial security through the maintenance of a healthy reserve fund that guides the creation, maintenance, and use of resources for financial stabilization purposes. The City's primary objective is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. The City of Creve Coeur also seeks to maintain the highest possible credit ratings which are dependent, in part, on the City's maintenance of a healthy fund balance. Currently our rating is AAA.

It is the policy of the City of Creve Coeur to adhere to GASB Statements and to follow GAAP; therefore, this policy is prepared in that spirit.

***Definitions***

Fund balance – The excess of assets over liabilities in a governmental fund.

Nonspendable fund balance – The portion of fund balance that is not in a spendable form or is required to be maintained intact (such as inventory or prepaid expenses). The "not in spendable form" criterion includes items that are not expected to be converted to cash in the normal course of business, such as, inventories and prepaid amounts. It also includes items that are not convertible to cash in the near term, such as, the long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance that is subject to external restrictions imposed by creditors (such as through bond covenants), grantors, contributors, or laws or regulations of other governments and constrained to specific purposes imposed by agreement, through constitutional provisions, or by enabling legislation.

Committed fund Balance – The portion of fund balance with self-imposed constraints or limitations that have been placed by the City Council, the highest level of decision making, and remains legally binding unless removed in the same manner.

Assigned fund balance – The portion of fund balance that the City intends to use for a specific purpose; intent can be expressed by the City Council or by a City Official to which the City Council has designated authority that is neither formally restricted by external sources nor committed by City Council action. For the City of Creve Coeur, at this time, no city official will be empowered to assign fund balance without City Council approval.

Assigned fund balance would also include all remaining amounts (except for negative balances) that are reported in governmental funds other than the General Fund that are not already classified as non-spendable, restricted or committed. These amounts are considered Assigned by definition, rather than by Administrative action, since they are placed in a governmental fund separate from the General Fund. These would include: special revenue funds, capital project funds, debt service fund, or permanent funds.

Assignment within the General Fund conveys that the intended use of these amounts is for a specific purpose that is narrower than the general purposes of the government itself. However, the City cannot report an assignment for an amount to a specific purpose if the amount would result in a deficit in unassigned fund balance.

Unassigned fund balance – Amounts that are available for any purpose: these amounts are reported only in the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund will be the only fund that reports a positive unassigned fund balance amount. In other governmental funds if the assigned fund balance is negative, it will be necessary to report it as a negative unassigned fund balance.

A. Use of Restricted or Unrestricted Fund Balance

When an option exists for the use of fund balance components, the classification with the greatest eligible degree of constraint should be used first. This will be followed by succeeding fund balance components with a lesser degree of constraint. The order in the use of funds therefore would be Restricted, Committed, Assigned and Unassigned to the extent that each category is eligible.

***General Fund Stabilization Balance Policy***

The Fund Balance of the City's General Fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The target is to maintain a rolling beginning fund balance of not less than 33.33% of average annual operating expenditures for the prior two fiscal years. Should the balance fall below 33.33% the City will identify a plan to restore the Fund Balance to its target amount as part of the budget proposal.

The City's basic goal is to maintain annual expenditure increases at a conservative growth rate, and to limit expenditures to anticipated revenues in order to maintain a structurally balanced budget. The decision to retain a fund balance of not less than 33.33% of operating expenditures stems from the following considerations

- This amount provides adequate funding to cover approximately 4 months of operating expenses.
- It provides the liquidity necessary to accommodate the City's uneven cash flow, which is inherent in its periodic tax collection schedule.
- It provides the liquidity to respond to contingent liabilities.

Fund balance may be accessed under the following conditions:

- To allocate funds for capital expenditures, long term obligations, debt service needs, or revenue shortfalls in the Enterprise Fund.
- To respond to emergency funding necessities.

The City will spend the most restricted dollars before less restricted in the following order, except as noted above:

a. Nonspendable (if funds become spendable)
b. Restricted

c. Committed
d. Assigned
e. Unassigned

For capital funds and special revenue funds, a fund balance level has not been established as the underlying goal is to spend available revenue sources on a number of planned projects that are a part of the 5-year capital improvement plan and other committed expenditures. However, for the purposes of budgeting, the unspent appropriations from prior budgetary periods will be classified within the definitions of GASB 54 Fund Balance for internal purposes.

This policy has been approved by the City Administrator and Director of Finance, adopted by the City Council by Resolution No. 987, and revised by Resolution N. XXX. The Fund Balance Policy will be reviewed biannually and can be adjusted at any time by action of the City Council.

**CITY OF CREVE COEUR, MISSOURI**

**GOVERNMENTAL ACCOUNTING**
**FUND BALANCE CLASSIFICATIONS AND POLICY**

**Adopted November 28, 2011; Revised November 27, 2017**

***Background***

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The new standard for Fund Balance components requires that governmental funds report classifications that consist of a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those accounts can be spent. This includes external as well as internal constraints on the net assets contained within the fund's balance such as financial stabilization.

The City of Creve Coeur has enacted the following policy in an effort to ensure financial security through the maintenance of a healthy reserve fund that guides the creation, maintenance, and use of resources for financial stabilization purposes. The City's primary objective is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. The City of Creve Coeur also seeks to maintain the highest possible credit ratings which are dependent, in part, on the City's maintenance of a healthy fund balance. Currently our rating is AAA.

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***Definitions***

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Nonspendable fund balance – The portion of ~~a governmental fund's net assets~~fund balance that ~~are~~ is not in a spendable form or ~~are~~ is required to be maintained intact (such as inventory or prepaid expenses). The "not in spendable form" criterion includes items that are not expected to be converted to cash in the normal course of business, such as, inventories and prepaid amounts. It also includes items that are not convertible to cash in the near term, such as, the long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted fund balance – The portion of ~~a governmental fund's net assets~~fund balance that is subject to external restrictions imposed by creditors (such as through bond covenants), grantors, contributors, or laws or regulations of other governments and constrained to specific purposes imposed by agreement, through constitutional provisions, or by enabling legislation. ~~with self-imposed constraints or limitations that have been placed by the City Council, the highest level of decision making.~~

Committed fund Balance – The portion of ~~a governmental fund's net assets~~fund balance with self-imposed constraints or limitations that have been placed by the City Council, the highest level of decision making, and remains legally binding unless removed in the same manner.

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Assigned fund balance – The portion of ~~a governmental fund's net assets~~fund balance that the City intends to use for a specific purpose; ~~,~~ intent can be expressed by the City Council or by a City Official to which the City Council has designated authority that is neither formally restricted by external sources nor committed by City Council action. For the City of Creve Coeur, at this time, no city official will be empowered to assign fund balance without City Council approval.

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Assignment within the General Fund conveys that the intended use of these amounts is for a specific purpose that is narrower than the general purposes of the government itself. However, the City cannot report an assignment for an amount to a specific purpose if the amount would result in a deficit in unassigned fund balance.

Unassigned fund balance – Amounts that are available for any purpose~~;~~, these amounts are reported only in the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund will be the only fund that reports a positive unassigned fund balance amount. In other governmental funds if the assigned fund balance is negative, it will be necessary to report it as a negative unassigned fund balance.

~~***Procedure***~~

~~The classifications of fund balance components (in declining order of constraint) according to Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions are: A. Non-spendable Fund Balance; B. Restricted Fund Balance; C. Committed Fund Balance; D. Assigned Fund Balance; and, E. Unassigned Fund Balance.~~

~~A. Non-spendable Fund Balance~~

~~The Nonspendable Fund Balance classification includes amounts that cannot be spent because they are either:~~

~~(1) Not in spendable form; or,~~

~~(2) Legally or contractually required to be maintained intact.~~

~~The "not in spendable form" criterion includes items that are not expected to be converted to cash in the normal course of business, such as, inventories and prepaid amounts. It also includes items that are not convertible to cash in the near term, such as, the long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.~~

~~B. Restricted Fund Balance~~

~~The Restricted Fund Balance classification includes amounts where constraints are placed on the use of those resources which are either:~~

~~(1) Externally imposed by creditors (such as through bond covenants), grantors, contributors, or laws or regulations of other governments; or,~~

~~(2) Imposed by law through constitutional provisions or enabling legislation.~~

~~C. Committed Fund Balance~~

~~The Committed Fund Balance classification includes amounts which can only be used for specific purposes pursuant to constraints imposed by formal action (resolution or ordinance) of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified amounts by use of the same formal action that it employed to previously commit those amounts.~~

~~D. Assigned Fund Balance~~
~~The Assigned Fund Balance classification includes amounts which are constrained by city management's intent for these to be used for a specific purpose but are neither formally restricted by external sources nor committed by City Council action. For the City of Creve Coeur, at this time no city official will be empowered to assign fund balance without City Council approval.~~

~~Assigned fund balance would also include all remaining amounts (except for negative balances) that are reported in governmental funds other than the General Fund that are not already classified as non-spendable, restricted or committed. These amounts are considered Assigned by definition, rather than by Administrative action, since they are placed in a governmental fund separate from the General Fund. These would include: special revenue funds, capital project funds, debt service fund, or permanent funds.~~

~~Assignment within the General Fund conveys that the intended use of these amounts is for a specific purpose that is narrower than the general purposes of the government itself. However, the City cannot report an assignment for an amount to a specific purpose if the amount would result in a deficit in unassigned fund balance.~~

~~E. Unassigned Fund Balance~~
~~Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.~~

~~The General Fund will be the only fund that reports a positive unassigned fund balance amount. In the other governmental funds if the assigned fund balance is negative it will be necessary to report it as a negative unassigned fund balance.~~

~~F.~~A. Use of Restricted or Unrestricted Fund Balance
When an option exists for the use of fund balance components, the classification with the greatest eligible degree of constraint should be used first. This will be followed by succeeding fund balance components with a lesser degree of constraint. The order in the use of funds therefore would be Restricted, Committed, Assigned and Unassigned to the extent that each category is eligible.

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The City's basic goal is to maintain annual expenditure increases at a conservative growth rate, and to limit expenditures to anticipated revenues in order to maintain a structurally balanced budget. The decision to retain a fund balance of not less than 33.33% of operating expenditures stems from the following considerations

- This amount provides adequate funding to cover approximately 4 months of operating expenses.
- It provides the liquidity necessary to accommodate the City's uneven cash flow, which is inherent in its periodic tax collection schedule.
- It provides the liquidity to respond to contingent liabilities.

Fund balance may be accessed under the following conditions:

- To ~~draw down the City's fund balance to the recommended funding rate by using these~~allocate funds for capital expenditures, long term ~~obligations~~ obligations, ~~or~~ debt service needs, or revenue shortfalls in the Enterprise Fund.
- To respond to emergency funding necessities.

The City will spend the most restricted dollars before less restricted in the following order, except as noted above:

a. Nonspendable (if funds become spendable)
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c. Committed
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e. Unassigned

For capital funds and special revenue funds, a fund balance level has not been established as the underlying goal is to spend available revenue sources on a number of planned projects that are a part of the 5-year capital improvement plan and other committed expenditures. However, for the purposes of budgeting, the unspent appropriations from prior budgetary periods will be classified within the definitions of GASB 54 Fund Balance for internal purposes.

This policy has been approved by the City Administrator and Director of Finance, ~~and~~ adopted by the City Council by Resolution No. 987, and revised by Resolution N. XXX. The Fund Balance Policy will be reviewed biannually and can be adjusted at any time by action of the City Council.

# City of Creve Coeur
# Finance Committee
# FY18 Meeting Schedule

| DATE | TOPIC |
|---|---|
| July 25, 2017 | Prop P Policy Draft |
| September 5, 2017 | Review of 4th Qtr Financials and Year-End, Discussion of Revenue Options |
| November 7, 2017 | Review of 1st Quarter Financials, Further Discussion of Revenue Options |
| February 13, 2018 | Review of 2nd Quarter Financials, Review of Financial Policies |
| March 6, 2018 | Review of Proposed 5-Year Capital Plan |
| March 20, 2018 | Review of Proposed 5-Year Capital Plan |
| April 24, 2018 | Review Proposed Budget Preview |
| May 8, 2018 | Review of Proposed Budget, Review 3rd Quarter Financials |
| June 5, 2018 | Further Review of Proposed Budget, Olive/Graeser TDD Audit (every 3 years) |

**FINANCE COMMITTEE PRIORITIES**

- As part of the budget review process, evaluate economic justification and risks of proposed single-project capital and operational expenditures in excess of $100,000 or a combination of multiple similar projects or the aggregate value of multi-year projects over $1 million.
- Review proposed financing, bond indebtedness, taxation and leases greater than $10,000 prior to council action.
- Review project closeout reports for scope, schedule and cost variation.
- Periodically review and comment on the surplus funds investment policy and financial performance.
- Review opportunities for cooperative purchasing or contracting ventures with other municipalities.