Finance Committee
Committee Meeting Agenda
August 27, 2019
4:00 PM
Administrative Conference Room
300 N New Ballas Rd

1. **Call to Order**

    New Member Introductions

2. **Roll Call**

3. **Approval of Agenda**

4. **Approval of Minutes**

    Approval of May 7, 2019 Finance Committee Meeting Minutes

5. **Reports**

    Chairperson

    Audit Committee

    Pension Board

    Council Liaison

    Staff

6. **Unfinished Business**

    Status Update on Historic Structures

    Status Update on Millenium Trails Expansion

7. **New Business**

    Election of Chair/Vice Char/Committe Members

    Discussion of Policy/Procedures

    Transfer Old Olive from State to City

    Proposed One-Time Lump-Sum Pension Buyout for the Legacy Pension Plan

    Discuss Approach to Reviewing Employee Benefits

        Health and Dental Survey

Health Insurance

MBRA Report

June 30, 2019 Financial Report

Fraud Risk Assessment

8. **Other Business**

FY20 Meeting Schedule

9. **Public Comments**

10. **Adjourn**

Finance Committee
Committee Meeting Minutes
May 7, 2019
4:00 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	(Absent)
Marjorie Richter	Board Member	
Adam Shulenburger	Chairperson	(Absent)
Phillip Hellwege	Board Member	
Lori Obermoeller	Director of Finance	
Debbie Loso	Assistant	
Mark Perkins	City Administrator	
Sharon Stott	Assistant City Administrator	
Heather Silverman	Council Liaison	

3. Approval of Agenda

Motion to Approve the Agenda

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Marjorie Richter, Board Member
SECONDER:	Phillip Hellwege, Board Member
AYES:	Kutta, Potashnick, Richter, Hellwege
ABSENT:	Abeles, Shulenburger

4. Approval of Minutes

Approval of April 23, 2019 Finance Committee Meeting Minutes

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Marjorie Richter, Board Member
SECONDER:	Phillip Hellwege, Board Member
AYES:	Kutta, Potashnick, Richter, Hellwege
ABSENT:	Abeles, Shulenburger

5. Reports

Chairperson

Absent - No report

Audit Committee

No Report

Pension Board

No Report

Council Liaison

No Report

Staff

No Report

6. Unfinished Business

FY20 Preliminary Operating Budget

Mr. Kutta started by asking his questions on the budget. P. 89, does the budget include maintenance staffing for the police building? No, but we have a vacancy and once we fill that vacancy, that person will be doing the maintenance at the new police building. This will not change the budget numbers. The first year in the building will have very little activity since everything is new. We will have a HVAC maintenance contract, but it will be paid out of the public safety sales tax fund.

P. 105 - Why do we put in Estimated FY2020 amounts for Service Standards? Is it really necessary? Yes, as part of GFOA performance indicators, they require an estimate for the proposed budget year. These estimates are not used for operations.

P. 107 - acct 5240 & 5241 under Budget Highlights, why would social security and pension be listed under uniforms? It's because when employees get paid a clothing allowance, it affects social security and pension.

P. 118 - Did we really have 32 inches of snow? Yes, it goes by Fiscal Year and not Calendar.

P. 119 - Under Acct 6254 Water & Sewer, are we using any more modern devices so that we aren't always watering the street? Mr. Perkins said that we do need to make improvements to the sprinkler system, but it's going to be very expensive so that's why it keeps getting put off.

P. 122 - How many years do we have left with our current trash contract? 1 year.

P. 130 - Is the inspector for BJC 100% reimbursable? Yes, it is. Who gets an auto allowance…is that for the inspectors? No, that is for the Director because some Directors are expected to drive in the city as part of their job. Inspectors get reimbursed from account 7307.

P. 180 - Acct. 6203 says Major Case Squad Investigations, what is this for? This was an error, it is not budgeted and should not be in here.

Mr. Perkins explained the Public Safety Sales Tax Fund and how these funds could be used to pay down the unfunded liability in the pension fund for the police. Council can review the policy on P. 180 and make any changes to the policy during the budget process. Right now, the policy is very restrictive, but if the City has a deficit in the future and they want to maintain the same level of police services, they could use these funds to do that.

How often do the officers use the firing range? Once a month. Other police agencies also use the range for a fee.

Do the officers have to qualify with tasers? Yes.

P. 185 - The Sewer Lateral Fund Balance is going back up since we changed the funding from 80% to 50%.

P. 190 provides a long-range perspective of the Enterprise Fund. Ice normally runs a surplus; golf normally runs a deficit, but the two balance each other out. We will keep an eye on things once Maryland Height's ice rink opens. We think it will only be a small change in the number of users that switch to Maryland Heights.

P. 219 - The budget includes increasing the Employee's portion of the Legacy Pension Plan from 3% to 4% to match the Employee's contribution in the LAGERS Plan. It was asked if switching to LAGERS has improved things with the Police Department? Yes, we haven't really had anyone leaving unless they were retiring. Competition from other cities increased with the Public Safety Sales Tax funds, but we haven't had any trouble hiring officers or keeping them. St. Louis County brought officers' pay up with the new Public Safety Sales Tax money, but now they are out of money.

It was asked if our officers have Body Cameras? Mr. Perkins said that yes, we have some and are purchasing more in FY 2020. We were holding off on purchasing body cameras because there were issues with some of the body cameras, as well as with the data and the storage. But things are a lot better now. They are better than the in-car cameras and recorders. We currently have 11 body cameras (just bought 8), but have 8 more in the FY 2020 budget. We have 6 - 8 on a shift at once so that will allow one set to be charging at all times.

Mr. Kutta said that he drafted a letter for the Finance Committee to the City Council on the budget recommendation and wanted to know if the Committee approved of the letter of recommendation and the wording of the letter. It contained a very strong statement on the Historical Buildings. The letter basically stated that if we don't have a specific program in place that includes regular activities with the historical buildings, then we shouldn't be spending money on it. Are the buildings the best vehicle for preserving history? The letter would be included in the City Council's agenda packet for their May 13th Budget Work Session. Ms. Richter made a motion to approve the draft memo with a few minor amendments. Mr. Hellwege seconded the motion. All were in favor. Mr. Kutta will make the changes and email to Ms. Obermoeller for distribution to the City Council.

Motion to Approve Letter of Recommendation to the City Council on the Proposed FY20 Budget

Marjorie Richter made a motion to approve the letter of recommendation with a few minor changes. Phil Hellwege seconded. All were in favor.

Finance Committee
Committee Meeting Minutes
May 7, 2019
4:00 PM
Administrative Conference Room
300 N New Ballas Rd

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Marjorie Richter, Board Member
SECONDER:	Phillip Hellwege, Board Member
AYES:	Kutta, Potashnick, Richter, Hellwege
ABSENT:	Abeles, Shulenburger

Budgeting for Proposed Municipal Consolidation

Mr. Kutta put this on the agenda because he wanted to see 2 sets of books created with the possibility of Better Together, but now that Better Together has withdrawn their petition, this is not necessary.

Ms. Richter asked if the City was still doing the June 6th meeting where Better Together was going to be there. Mr. Perkins said they haven't made a decision yet, but they will still probably do the meeting because this is part of the "Coffee with the Mayor" meeting. And it will probably still be at the Danforth Center. They have had 60 people RSVP so far. They could still talk about the Board of Freeholders as well as other things. Mr. Kutta and Mr. Hellwege think the City should still have the meeting, because they would still like the City to continue to look at consolidation where possible.

Mr. Potashnick asked if the City had done a workup on how Better Together would have affected the City financially. Mr. Perkins said not in the form of a spreadsheet, but we do know that there would be about a $5M surplus, because we would be eliminating all of our services except trash and parks.

Mr. Potashnick asked if we would still have the debt for the new police building if Better Together happens. Mr. Perkins said, yes, we would still have the debt, and the building would remain ours as long as we have the debt. But once it is paid off, the Metro City would take it. Mr. Potashnick said it sounds like they would be taking our assets and not our liabilities.

7. New Business

8. Other Business

FY19 Meeting Schedule

RESULT:	**DEFERRED [UNANIMOUS]**
AYES:	Kutta, Potashnick, Richter, Hellwege
ABSENT:	Abeles, Shulenburger

9. Public Comments

10. Adjourn

Motion to Adjourn

Finance Committee
Committee Meeting Minutes
May 7, 2019
4:00 PM
Administrative Conference Room
300 N New Ballas Rd

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Larry Potashnick, Board Member
SECONDER:	Phillip Hellwege, Board Member
AYES:	Kutta, Potashnick, Richter, Hellwege
ABSENT:	Abeles, Shulenburger

DEPARTMENT OF PUBLIC WORKS
STAFF MEMORANDUM

DATE: August 23, 2019

TO: Lori Obermoeller, Director of Finance

FROM: Matt Wohlberg, P.E., City Engineer

SUBJECT: Adoption of Old Olive Street Road from MoDOT and Implementation of the 39 North Great Streets Plan for Old Olive Street Road

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The City has expressed its interest in adopting Old Olive Street Road from the Missouri Department of Transportation (MoDOT) in order to implement the 39 North Great Streets Plan for Old Olive Street Road. City staff wishes to update the Finance Committee regarding the actions taken to date, the anticipated schedule for adoption and improvements to Old Olive Street Road, and the costs related to the implementation of the great streets plan.

Background

Prior to the construction of the partial cloverleaf interchange at Olive Boulevard and Lindbergh Boulevard around 1960, Olive Boulevard followed the path of what is now Old Olive Street Road. The Olive-Lindbergh interchange was designed to use Old Olive as two of its northern ramps, and Old Olive continues to serve as an essential part of this interchange today.

Several projects are currently underway in the area of Olive Boulevard, Lindbergh Boulevard, and Old Olive Street Road that are related to the 39 North Great Streets Plan and warrant some introduction and explanation.

Olive-Lindbergh Interchange Reconfiguration. St. Louis County secured a federal grant to reconfigure the Olive-Lindbergh interchange in such a way that this interchange will no longer need Old Olive to serve as two of its ramps. The design for this project is nearly complete. Construction is expected to begin by the summer of 2020 and finish by the end of 2020.

MoDOT owns and maintains Olive Boulevard and Lindbergh Boulevard. MoDOT also maintains Old Olive Street Road, because Old Olive serves as a part of the Olive-Lindbergh interchange. Once the Olive-Lindbergh interchange is reconfigured, Old Olive will no longer be a necessary part of the interchange. MoDOT has expressed its interest in divesting itself of Old Olive Street Road once it is no longer needed for its interchange. Indeed, MoDOT's support for the Olive-Lindbergh interchange project was based, in part, upon MoDOT's understanding that MoDOT would be able to remove Old Olive Street Road from its system.

The City of Creve Coeur emerged as the most likely entity to adopt Old Olive Street Road for maintenance, and the City sent a letter to MoDOT in July to request that MoDOT begin the process to transfer Old Olive to the City. The City's pursuit and endorsement of the 39 North Master Plan and the 39 North Great Streets Plan for Old Olive Street Road supported the City's decision to initiate the transfer process.

39 North Master Plan. Spurring the Olive-Lindbergh interchange project was the adoption of the 39 North Master Plan by the Planning and Zoning Commission in 2017. The 39 North plan envisions many improvements to the area, among which is to transform Old Olive from a function-focused state route to a more decorative and inviting multimodal roadway that would become the "main street" of the new 39 North District.

39 North District Old Olive Street Road Great Streets Plan. The Planning and Zoning Commission has adopted the Old Olive Great Streets Plan which provides preliminary designs for streetscape improvements to Old Olive as recommended in the 39 North Master Plan. The primary elements of the plan consist of a multi-use trail along the corridor, the reconfiguration of the Old Olive/Lindbergh intersection to allow full access, and design elements to improve the overall appearance of the corridor within the 39 North district.

Strategic Plan. The City has also supported the rehabilitation and reinvention of Old Olive Street Road through its strategic goals. The City's FY2018-FY2020 Strategic Plan calls for the City to play an "active supporting role" in the implementation of the 39 North plan.

The City has begun to play more of an "*active* role" rather than an "active *supporting* role" in the implementation of the 39 North plan and the 39 North Old Olive Great Streets Plan, with respect to Old Olive. There are significant opportunities in doing so, but, as will be discussed below, there are also significant costs.

Adoption of Old Olive Street Road

As the Olive-Lindbergh interchange project progressed, as the City's involvement in the plans for Old Olive continued, and as City staff began to pursue funding for the initial improvements to Old Olive Street Road, it became increasingly necessary for the City to decide whether it wished to adopt the Old Olive right of way for City maintenance. In June of this year, City staff sought the support of both the Planning and Zoning Commission and the City Council to continue to advance the discussions and plans related to Old Olive, as these were beginning to become the City's commitments.

Planning and Zoning Commission Recommendation. Chapter 89.380 RsMO states that the Planning and Zoning Commission must review and make a recommendation regarding the City's acquisition of right of way and infrastructure. Even though all of the details are not currently available regarding this right of way, the concept of what is required is clear. Therefore, Public Works staff sought the recommendation of the Planning and Zoning Commission with regard to the concept of adopting the Old Olive Street Road right of way for City ownership and maintenance. At its meeting on June 3, the Planning and Zoning Commission stated its support for beginning the process of acquiring the Old Olive Street Road right of way from MoDOT and for seeking funding for the initial phase of improvements to Old Olive Street Road.

Staff sought this statement of support prior to the formal request to MoDOT in an attempt to stay within the spirit of Chapter 89 to the extent possible.

City Council Direction. The City Council provided a similar statement of support for the pursuit of the Old Olive Street Road right of way from MoDOT at the City Council meeting on June 10. The City Council considered the estimated costs to implement the 39 North Great Streets Plan for Old Olive and determined that the opportunities offered by the plan outweighed the immediate roadway and sidewalk improvement costs associated with the adoption of Old Olive.

Adoption Schedule. The transfer of Old Olive Street Road from the MoDOT highway network to the City's roadway network will involve several steps and will take over a year to complete. An approximate schedule of some of the important events in this process is outlined below. Certain milestones depend on several factors, including the progression of the preceding steps in the process, which causes uncertainty with respect to exactly when these milestones will occur and how long they will take. For this reason, several of the milestones have broad timeframes.

June 3, 2019	The Planning and Zoning Commission stated its support for the City to declare its intent to acquire the Old Olive Street Road right of way from the State of Missouri.
June 10, 2019	The City Council stated its support for the City to declare its intent to acquire the Old Olive Street Road right of way from the State of Missouri.
June 17, 2019	City staff sent a letter of intent regarding the acquisition of the Old Olive Street Road right of way to the Missouri Department of Transportation. This letter began the "roadway relinquishment" process at MoDOT.
August 2, 2019	The City submitted an application for state cost-share funding for Phase 1 of the Old Olive Great Streets Plan (see discussion beginning on the next page).
August 2019	MoDOT's local staff submitted a recommendation to the Missouri Highways and Traffic Commission in Jefferson City to change the route status of Old Olive Street Road.
Fall 2019	MoDOT approval of change in route status. MoDOT and City negotiate the terms and conditions of the Old Olive Street Road relinquishment agreement, through which Old Olive would transfer from MoDOT maintenance to City maintenance.
Winter 2019	Completion of the negotiations involved with the relinquishment agreement. Boundary survey of the Old Olive Street Road right of way completed by MoDOT or a consultant hired by the City.
Early 2020	Formal request to the Planning and Zoning Commission for a recommendation to the City Council regarding the adoption of the Old Olive Street Road right of way, according to Chapter 89.380 RsMO.
Early 2020	Anticipated presentation of a bill to the City Council regarding the adoption of the Old Olive Street Road right of way for City ownership and maintenance.
December 2020	Advertised completion date for Olive-Lindbergh interchange and date at which Old Olive Street Road is no longer required for the State's system to function. The current draft of the Old Olive Street Road relinquishment agreement lists this as the date of City adoption of the Old Olive Street Road right of way.
Summer 2024	Anticipated date for completion of construction of the intersection of Old Olive and Lindbergh. This is likely the latest possible date for the City's adoption of the Old Olive Street Road right of way.

Improvements to Old Olive Street Road

Significant changes are envisioned for Old Olive Street Road through the 39 North Great Streets plan. The City has also finished preliminary plans for the intersection improvements planned for Old Olive at Lindbergh. Excerpts of these plans are included to illustrate the nature and scope of the improvements to Old Olive.

As shown on the attached exhibit, the improvements to Old Olive are divided into three phases. These phases are numbered in the order of importance and the order in which staff expects that they would be constructed. Generally, the planned improvements involve the following:

<u>Intersection Reconfiguration at Old Olive and Lindbergh.</u> The intersection of Old Olive and Lindbergh currently has limited access, with only right-in and right-out access on both sides of Lindbergh. As such, Lindbergh effectively divides Old Olive into two sections. The planned improvements to this intersection involve partially reconstructing it to add a traffic signal that would allow for full access to and from Lindbergh and Old Olive. The reconfiguration of the intersection would also add a pedestrian crossing wide enough to accommodate the multi-use trail envisioned for the future phases of the great streets plan.

The attached plan shows the extent of the reconfiguration of this intersection, which would be phase 1 of the improvements to Old Olive.

<u>Old Olive Repaving and Streetscape</u>. Old Olive is currently a wide, asphalt street with up to four lanes for traffic and a sidewalk along its south side. It is configured to be as functional as possible for vehicle traffic. The 39 North Great Streets plan for Old Olive would introduce a new typical section for Old Olive that would reduce the roadway footprint to two traffic lanes, include a sidewalk on one side of Old Olive, add a multi-use trail along the other side, and add a median along the centerline of Old Olive where possible. Plantings, decorative lighting, and other amenities are also envisioned.

As is illustrated below, the typical section envisioned for Old Olive would keep the sidewalk and multi-use trail consistent while modifying the roadway and greenspace between them to accommodate the traffic needs of each location along Old Olive.

Typical sections courtesy of the 39 North Great Streets Plan by Christner.

Improvements to Old Olive east of Lindbergh would be phase 2, and improvements to Old Olive west of Lindbergh would be phase 3.

Project Costs. The 39 North Great Streets plan found that the total estimated cost to design, acquire right of way and easements for, and construct the improvements envisioned for Old Olive Street Road is about $12 million. The estimated cost of each phase is:

Project Phase	**Estimated Cost**
Phase 1: Old Olive/Lindbergh Intersection	$ 2,350,000
Phase 2: Old Olive Streetscape East	$ 3,500,000
Phase 3: Old Olive Streetscape West	$ 6,000,000
Total	**$ 11,850,000**

The cost of each phase will need to be re-evaluated on a regular basis to properly account for inflation and ensure that the estimates continue to represent the expected project costs.

The estimate includes the various elements envisioned for Old Olive Street Road, but it does not include the north-south connector roads, the pedestrian bridge over Lindbergh Boulevard, or the 39 North Greenway. The connector roads, pedestrian bridge, and greenway are shown on several of the 39 North Great Streets plan sheets only to put the plan into the context of possible future phases of work.

Project Funding. The City's portion of the funding needed for these projects would likely be allocated through the City's Capital Improvement Program (CIP). Considering that the City's total annual investment into its street and sidewalk network through the CIP averages approximately $2,000,000, it will be imperative that the City secure outside funding in order to make any phase of the Old Olive improvements feasible without sacrificing repairs to the rest of the City's streets and sidewalks. Staff is aware of several outside sources of funding for improvements to Old Olive Street Road, each of which are briefly described below.

State Cost Participation Program. The State of Missouri offers a program through which the State will fund up to 50% of a project to improve the State's infrastructure. Because Old Olive Street Road is currently a part of the State's roadway network, Old Olive qualifies for this funding. Once the City adopts Old Olive as a City-maintained street, Old Olive will be removed from the State's roadway network, and Old Olive will no longer qualify for this funding.

Federal Surface Transportation Program (STP) Grants. This grant program provides federal funding for up to 80% of design, right-of-way, and construction costs for streets that are classified as at least a collector roadway. This is a competitive grant program that is managed by East-West Gateway Council of Governments and MoDOT, and it is typically offered on an annual basis. Grant requests cannot exceed $900,000 - $1,000,000 without the amount of the request hurting the chances that the grant would be rewarded.

Old Olive Street Road is currently classified as a major collector roadway, similar to Spoede Road. Staff expects that Old Olive would either stay as a major collector or would be downgraded to a minor collector (similar to Graeser Road) following its removal from the State roadway network and re-routing of some traffic directly to the Olive-Lindbergh interchange.

Federal Transportation Alternative Program (TAP) Grants. The focus on this grant program is typically focused on transportation improvements that involve elements like sidewalks and trails. Similar to the STP grant, this program is administered by East-West Gateway and MoDOT and offers up to 80% reimbursement. This is a competitive program that is offered frequently, but not every year.

Federal Better Utilizing Investments to Leverage Development (BUILD) Transportation Discretionary Grant Program. This nationally competitive grant program funds up to 80% of the cost of larger projects (i.e. those with costs of at least $5,000,000). These grants are administered by the U.S. Department of Transportation. They are offered frequently, but not every year.

Donations from area businesses or partnerships with organizations like Trailnet or Great Rivers Greenway could be possible, but Public Works staff is not aware of any such discussions or commitments to date. Funding sources like a Transportation Development District (TDD) or a Community Improvement District (CID) would also be possibilities to explore.

Opportunity Costs. The City depends on federal STP grant funding to improve the pavement and sidewalks of its major roadways, and there is currently a backlog of projects waiting to be funded. These project include intersection modifications and resurfacing for Craig Road, three phases of resurfacing and other improvements along New Ballas Road, and two phases of repairs and resurfacing for Ladue Road. The City plans to seek STP grant funding for all of these projects. With the grant implementation schedule typically taking about four or five years, and assuming that the City is fortunate enough to be successful in every grant round, it would take another 11-12 years to fund, design, and construct this list of projects.

Introducing several phases of improvements to Old Olive Street Road into the queue of projects waiting for STP grant funding would mean that repairs to another street (like New Ballas or Ladue) would be delayed. Staff recommends that the City explore funding for Old Olive through one or more of the other programs to help avoid delays for other projects.

Operating and Maintenance Costs

Once complete, the Phase 1 improvements will not significantly impact the City's operating budget. Most of this project would remain within the Lindbergh Boulevard right of way, and the pavement and signal there would be maintained by MoDOT. The rest of Old Olive, however, will require annual maintenance and repairs.

Pavement Repairs. MoDOT has informed City staff that MoDOT does not have any plans or intention to resurface or otherwise improve Old Olive prior to the City taking it over. MoDOT will, however, continue to fix potholes and otherwise maintain the pavement of Old Olive as long as MoDOT owns it. The date after which the City maintains Old Olive will be subject to negotiation with MoDOT, but MoDOT has proposed that the City begin maintenance of Old Olive following the completion of the Olive-Lindbergh interchange. That project is estimated to be complete as soon as the end of 2020.

The pavement of Old Olive is currently in fair-to-good condition, so asphalt resurfacing for Old Olive should not be necessary for another ten years. That is good news, because it would likely cost at least $500,000 to resurface Old Olive. Microsurfacing might be necessary to preserve the pavement until funding can be secured for the Phase 2 and Phase 3 work, and that would cost about $120,000-$150,000. Roadway striping will be necessary once, if not twice, over the next ten years. Striping Old Olive will cost about $40,000 - $50,000 per project.

The southern 180 feet of Willowbrook Drive lies within the Creve Coeur city limits and abuts Old Olive Street Road. This section of roadway is in very poor condition and appears to be maintained by neither St. Louis County nor MoDOT. Staff assumes that the adoption of the Old Olive right of way would also include the adoption of this section of Willowbrook Drive. Rehabilitation or reconstruction of this pavement is needed, and it will cost about $35,000 to $50,000 to complete. This work would not be able to wait until the Phase 3 project.

Sidewalk Repairs. While developments along Old Olive have made some improvements to the sidewalks there, most of the sidewalk appears to be out of compliance with current accessibility regulations. This is particularly true at the older entrances along Old Olive. Sidewalk improvements are included in all phases of the Old Olive project, and the existing sidewalk will be almost completely replaced through the projects envisioned through the great streets plan.

If the City is not successful in obtaining funding for Phase 2 and/or Phase 3, or if these phases become loosely defined as future projects, then the City should plan to spend $150,000 -$200,000 to update the existing sidewalks along Old Olive.

Maintenance. The adoption of Old Olive will add a significant amount of pavement to the City's roadway network. Regardless of whether the Phase 2 and Phase 3 improvements are made, certain maintenance will be required, and this maintenance could be difficult for Public Works staff to absorb while preserving the high level of service that is currently provided throughout Creve Coeur. For operations like snow plowing, where Old Olive would be considered a main route, there is not enough staff to be able to plow Old Olive without delaying another main route like Spoede or Graeser. Additional staff would be recommended, but the short-term budget projections make the possibility of hiring additional staff difficult or unlikely in the near future.

Once the landscaping, lights, decorative stop sign posts, and other streetscape elements are constructed along Old Olive, Public Works staff will be further challenged to have enough staff and budget to complete the maintenance needed to keep Old Olive at the high standard that is expected in Creve Coeur. Work like weeding, hanging banners, irrigation, and planting flowers will carry a cost and will compete with similar needs along streets like New Ballas and Olive.

Implementation Plan and Schedule for Phase 1 Improvements
Project implementation will begin with securing funding for the design, easement and right of way acquisition, and construction of the Phase 1 of the improvements to Old Olive (i.e. the reconfiguration of the intersection of Old Olive at Lindbergh). Staff plans to seek both state and federal funding to assist with the cost of Phase 1.

<u>State Cost Participation Program</u>

Application submitted: August 2, 2019

Funding request: $1,013,000 (43% of the project cost)

<u>Federal STP Grant</u>

Application due: January/February 2020

Funding request: $950,000 (40% of the project cost)

The City should know by the end of 2019 if the state funding request was successful and by May 2020 if the federal funding request was successful. Provided that the City is awarded both federal and state funding for the project, the cost of the project would break down as follows:

State Cost Participation Program:	$	1,013,000	(43%)
Federal STP Grant:	$	950,000	(40%)
City Funds:	$	387,000	(17%)
Total:	$	2,350,000	

While both funding programs are competitive, the initial considerations of each are promising. MoDOT suggested that the City apply for the Cost Participation Program for the intersection reconfiguration project, and the discussions to date with MoDOT about the possibility of using this program have been positive. The primary reason that MoDOT supports the project is that the City would adopt Old Olive Street Road as a City-maintained street following the completion of the intersection. City staff estimates that the various elements of the intersection project would also score very well for a federal roadway grant application.

Phase 1 Implementation Schedule. Securing the funding for the Phase 1 improvements would begin immediately, with the design, property acquisition, and construction eventually following the federal STP grant schedule:

March 2019	The City hired Access Engineering to refine the concept-level plans for the intersection of Old Olive Street Road and Lindbergh Boulevard to provide a better basis for state and federal grant applications for this intersection. These plans transition from part of the great streets study to the preliminary plans for Phase 1 of the Old Olive improvements.
August 2019	The preliminary plans for Phase 1 were completed.
August 2019	Public Works applied for the Cost Participation Program for approximately 42% of the cost of Phase 1 of the Old Olive Street Road improvements.
Fall 2019	The City learns whether the application for state funding for Old Olive Phase 1 was successful.
January 2020	Public Works staff will complete the application for the federal STP grant funding for approximately 36% of the cost to acquire right of way and construct Phase 1 of the Old Olive Street Road improvements.
May 2020	The City is informed whether the Old Olive Phase 1 project is recommended for federal funding.
FY2022	Continue the Phase 1 project's design.
FY2023	Complete the design; acquire easements and right of way needed for the project.
FY2024	Construct the Phase 1 project.

Preliminary estimates of the City's share of the funding and schedule outlined above were incorporated into the FY2020-FY2024 CIP.

Schedules for Phases 2 and 3. Implementation of the Phase 2 and Phase 3 improvements has not yet been budgeted or scheduled. Due to the cost of these improvements, staff suggests that the City partner with local organizations and pursue a BUILD grant to complete both phases at the same time. If the BUILD grant is not available, or if the application for it is unsuccessful, then staff suggests that the City pursue TAP and/or STP funding with significant participation from local organizations for these phases individually.

Enhancements to the Olive-Lindbergh Interchange

Although the project by St. Louis County and the St. Louis Economic Development Partnership (SLEDP) is separate from the improvements to Old Olive Street Road, the proximity of the interchange project and the cause-and-effect relationship between the two makes a discussion about the City's involvement in this project relevant here.

The reconfiguration of the Olive-Lindbergh interchange presents the City with opportunities to incorporate upgrades to certain elements of the interchange into the County/SLEDP project. Completing some upgrades with the larger interchange project will offer the City considerable cost savings compared to the City completing several stand-alone projects later. Discussions to date have been only conceptual, but City staff anticipates that the City should invest around $300,000 into the interchange project in order to add upgrades like illuminated street name signs, painted traffic signal equipment, pavers or decorative concrete for the roadway medians, decorative elements for the bridge faces, lighting, and additional infrastructure to prepare for future improvements.

$75,000 of these upgrades were included in the FY2020 capital improvements budget.

Recommendations

The City has stated its support for the transformation of Old Olive Street Road from a set of ramps for the Olive-Lindbergh interchange to the "main street" of the 39 North District. Further, the re-configuration of Old Olive with improved access and circulation for all modes of transportation within the 39 North District are key recommendations of the 39 North Master Plan that the City has adopted. The City's support for this plan has become the need for the City to commit to fund the improvements to Old Olive necessary for this transformation and to plan for the long-term maintenance costs of Old Olive.

The Planning and Zoning Commission and the City Council have stated their support to pursue the adoption of the Old Olive Street Road right of way for maintenance. The support of the Planning & Zoning Commission and the City Council was expressed with the understanding that the official recommendation and adoption of Old Olive Street Road will be in the near future, when the appropriate dedication documentation and agreement are available, provided that the terms of the agreement are found to be acceptable by the City.

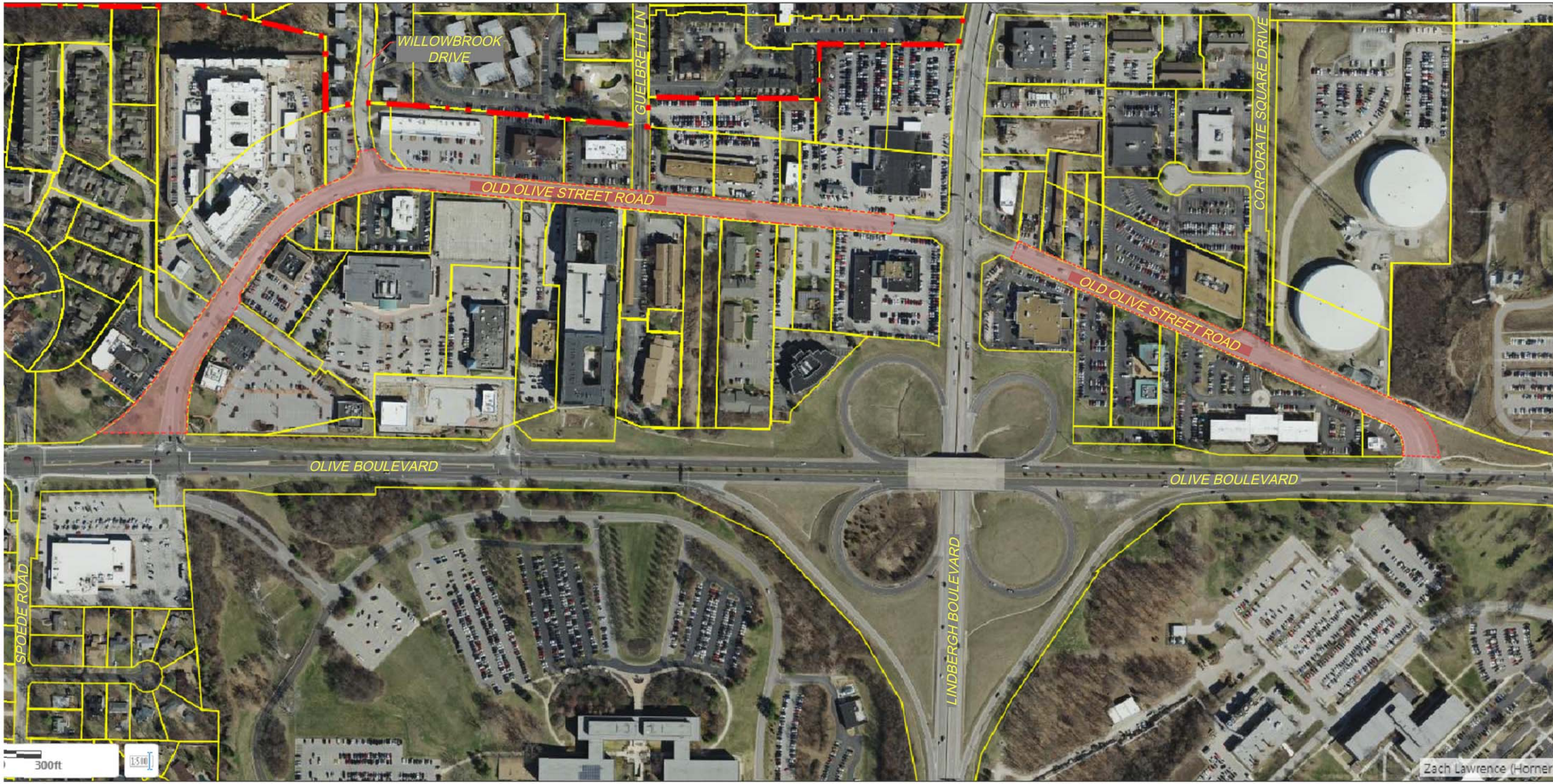
Staff recommends that the City pursue enhancements to the project to reconfigure the Olive-Lindbergh interchange. It would be more difficult and potentially much more expensive to add decorative elements to this interchange after the proposed project is complete.

Attachments: Conceptual layout of right of way dedication for Old Olive Street Road

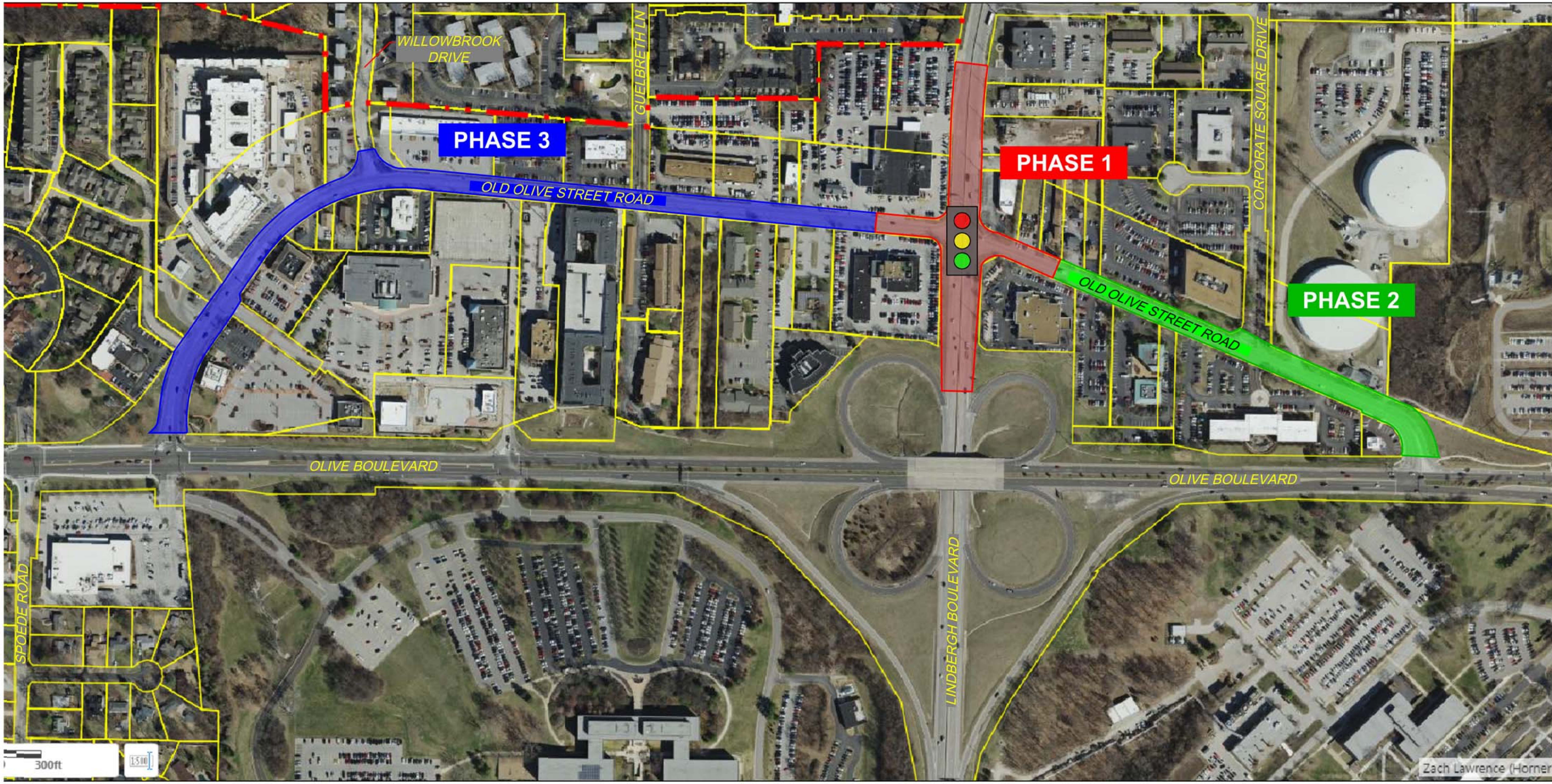
Old Olive Street Road Improvements Phasing Exhibit

Conceptual Old Olive Phase 1 Improvements Plan.

Letter of Intent to Adopt Old Olive Street Road

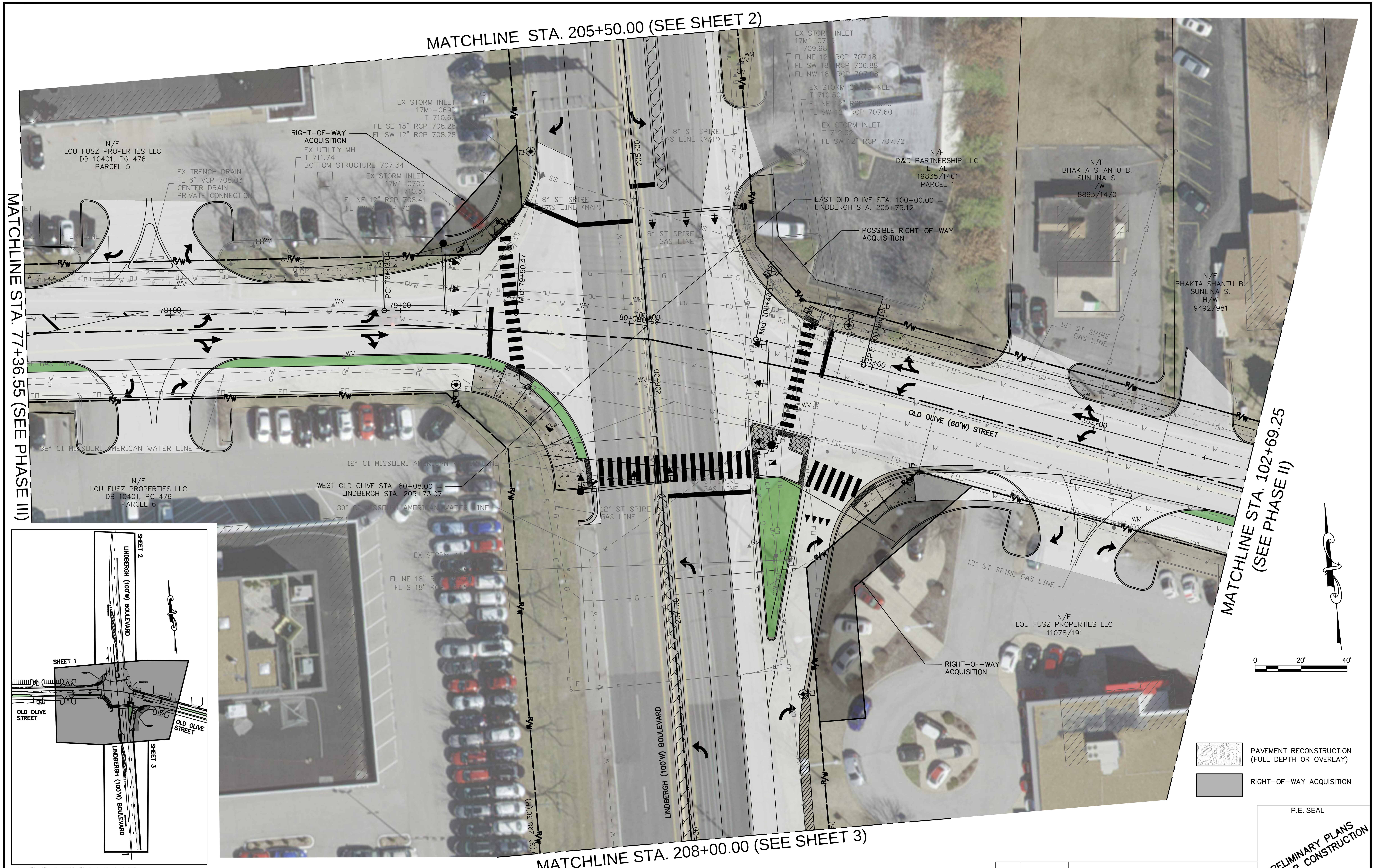


Conceptual Layout of Old Olive Street Road Right of Way to be Dedicated to the City of Creve Coeur



Envisioned Phases of Old Olive Street Road Improvements

Communication: Transfer Old Olive from State to City (New Business)



LOCATION MAP

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REV.	DATE	DESCRIPTION

P.E. SEAL

PRELIMINARY PLANS NOT FOR CONSTRUCTION

MARIE C. DENNIS, P.E.
LICENSE NUMBER: E-2000162091
LICENSE EXPIRES: 12/31/2014

ACCESS ENGINEERING, LLC
11820 TESSON FERRY ROAD
SUITE 203
ST. LOUIS, MO 63128
(314) 849-8445
CIVIL ENGINEERING
ENGINEERING CERTIFICATE OF AUTHORITY #2000172588

DRAWN BY: EJR
CHECKED BY: MLB
DATE: JAN 2019

39NORTH - ANALYZE AND REDESIGN
OLD OLIVE STREET ROAD
CREVE COEUR, MISSOURI

DRAWING TITLE

SHEET NUMBER
1 OF 3

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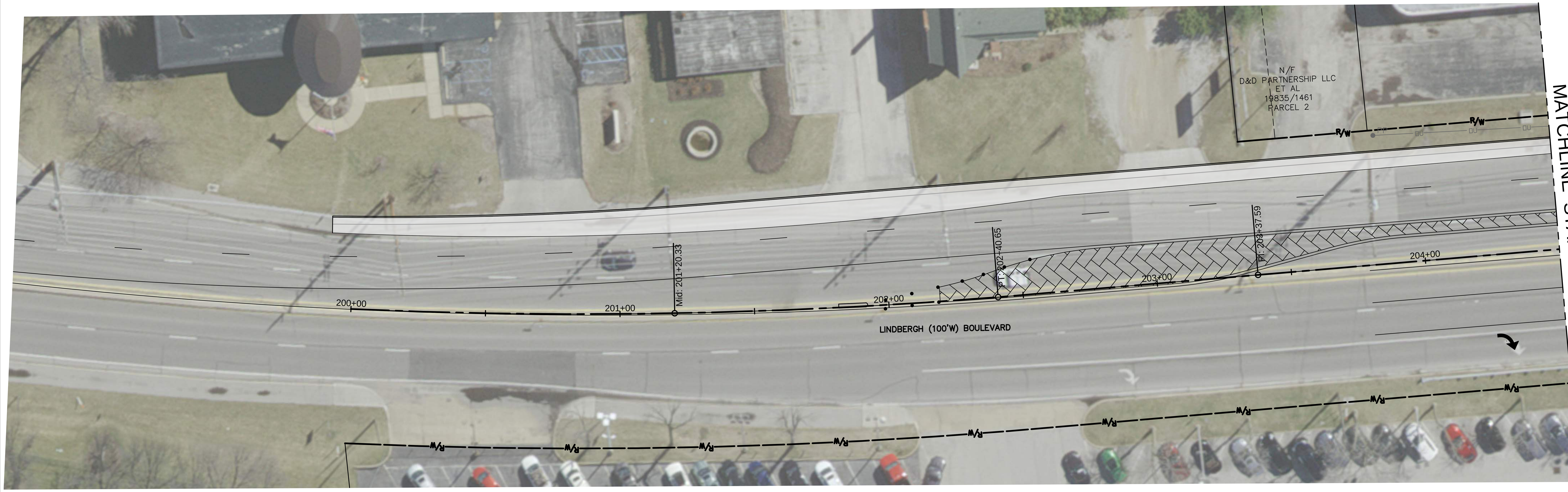
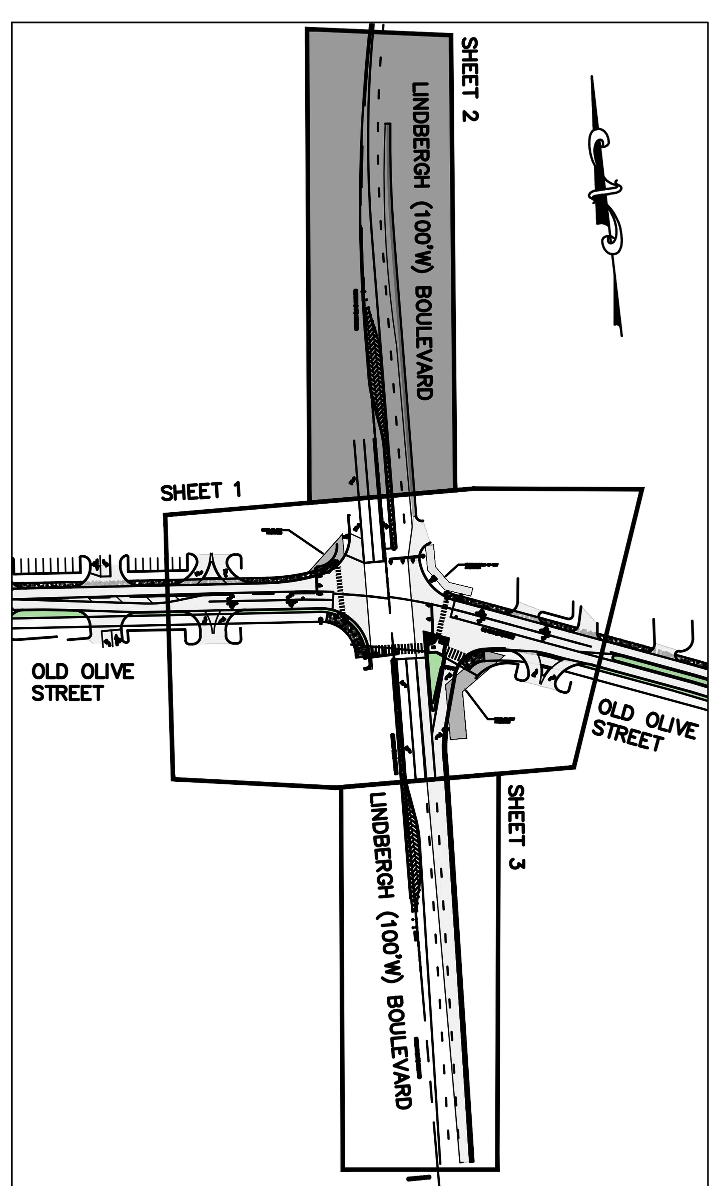
Communication: Transfer Old Olive from State to City (New Business)





LOCATION MAP

0 20' 40'

PAVEMENT RECONSTRUCTION (FULL DEPTH OR OVERLAY)

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39NORTH - ANALYZE AND REDESIGN
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SHEET NUMBER
2 OF 3

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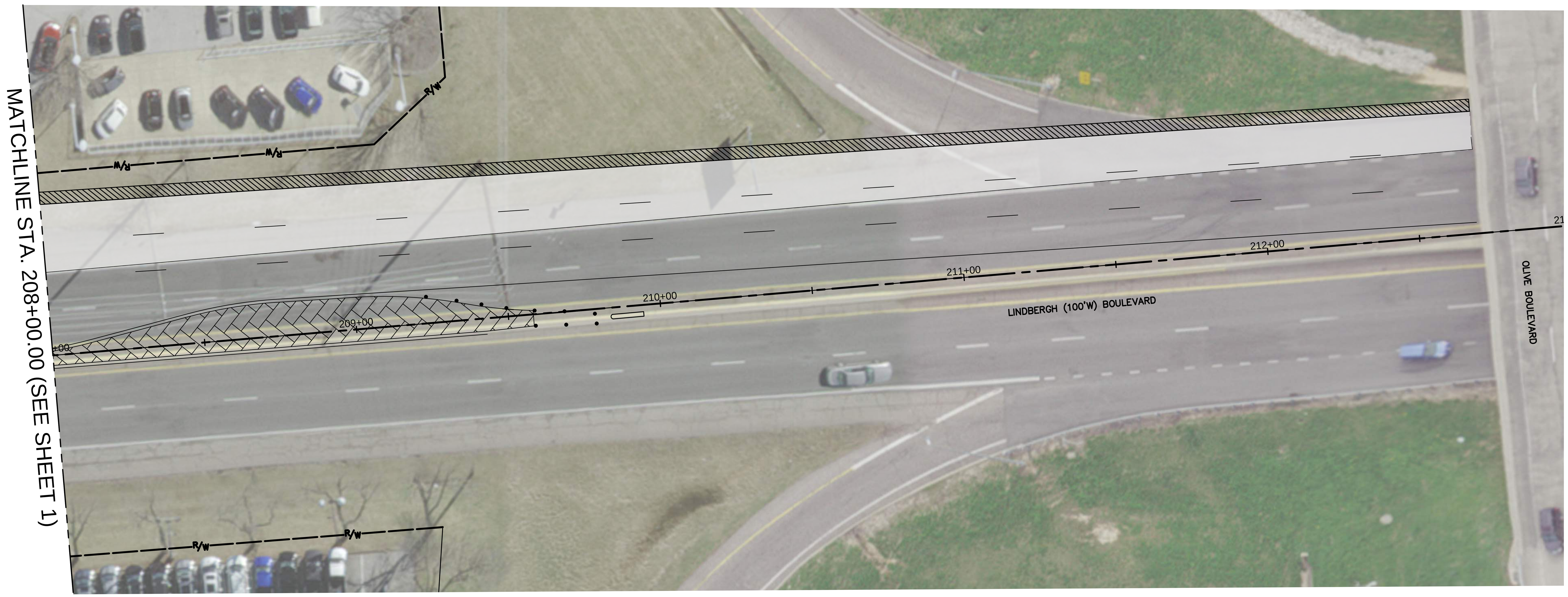

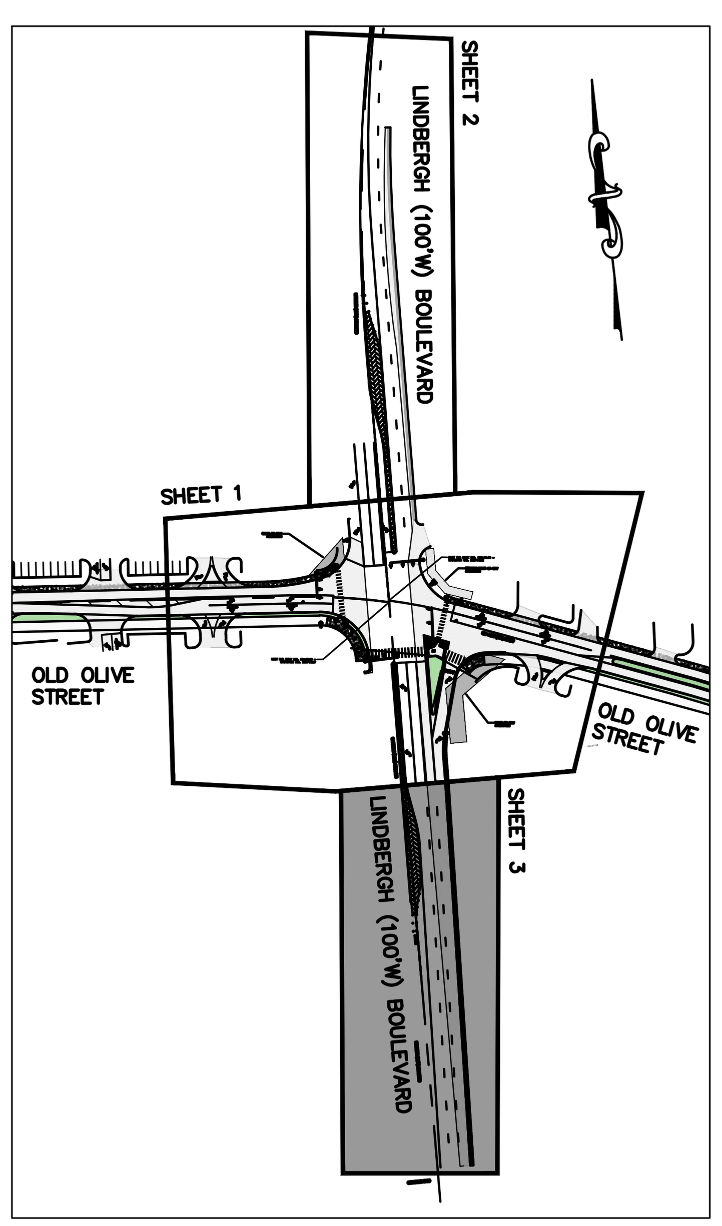

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city of CREVE COEUR
300 North New Ballas Road • Creve Coeur, Missouri 63141
(314) 432-6000 • Fax (314) 872-2539 • Relay MO 1-800-735-2966
www.creve-coeur.org

June 17, 2019

Ms. Karen Yeomans, PE
Area Engineer, Southwest St. Louis County
Missouri Department of Transportation
1590 Woodlake Drive
Chesterfield, MO 63017

Re: Adoption of Old Olive Street Road Right of Way

Dear Ms. Yeomans:

The City of Creve Coeur wishes to begin the formal negotiations with a goal of transferring the Old Olive Street Road right of way from the State of Missouri's network to the City's network.

The City understands that Old Olive Street Road currently serves as two of the ramps for the interchange of Olive Boulevard (MO 340) and Lindbergh Boulevard (US 67). The City further understands that the reconfiguration of this interchange that is planned for 2020 will eliminate the need for Old Olive Street Road to continue to be a part of this interchange.

Our past discussions about Old Olive Street Road have allowed the City to anticipate the possibility of the State no longer requiring Old Olive Street Road and to plan for the possibility that Old Olive Street Road would become a City-maintained right of way. This planning ultimately resulted in the 39 North Great Streets Plan, which is currently in its final stages of development. The City sees the adoption of Old Olive Street Road as a critical element in the implementation of the 39 North Great Streets Plan.

The City understands that this request, if supported by the Missouri Department of Transportation, may lead to an agreement between the State and the City, whereby the Old Olive Street Road right of way would be relinquished by the State to the City. Such an agreement, and its terms and conditions, will need to be reviewed by the City's Planning and Zoning Commission prior to formal review and approval by the Creve Coeur City Council.

Please contact me to discuss this request. I can be reached at (314) 442-2084 and at mwohlberg@crevecoeurmo.gov.

We look forward to working with you for the transition agreement and the future of Old Olive Street Road.

Sincerely,

CITY OF CREVE COEUR

Matt Wohlberg, P.E.
City Engineer

MEMORANDUM

DATE: August 5, 2019

TO: Mark Perkins, City Administrator

FROM: Lori Obermoeller, Director of Finance

SUBJECT: One-Time Lump-Sum Buyout Program

The Pension Board met on January 31, 2019 to discuss the MOSERS Buyout Program and to discuss the possibility of offering a similar program for the Defined Benefit Retirement Plan for Employees of the City of Creve Coeur. The Board agreed to move forward with Milliman preparing an analysis of the Buyout Program. At the April 16, 2019 Pension Board Meeting, Milliman went over the analysis with the Board. The Pension Board decided to present the analysis to the City Council at the June joint City Council work session. As discussed at the joint Work Session, this Buyout Program will only be a one-time offer to participants who have separated from service with a vested accrued benefit and who have not yet begun to receive retirement benefits under the Plan.

The City Council directed staff to move forward with this program and to start working on preparing an Ordinance to modify the Plan to allow for this one-time lump-sum program, preparing the Buyout Letter, the Application, the Q&A and any other forms that would be necessary to make this happen in October 2019.

Attached to this memo is the Ordinance to amend the provisions of the Defined Benefit Retirement Plan for Employees of the City of Creve Coeur by modifying the provisions regarding cash-out of accrued benefits. As discussed, this modification will allow for eligible participants a one-time opportunity to be paid a percentage of the actuarial equivalent of such accrued benefit in a single sum. The percentage will not exceed the funded ratio of the Plan prior to making the offer, and the Pension Board will determine the time frame for the offer, but shall allow a minimum of 30 days.

Because of the Buyout Program, the Pension Board decided at the July 23rd meeting to move $800,000 from Equities to a separate fixed account in Schwab. $800,000 is approximately 40% of the $2,000,000 for participants that are eligible for the Buyout Program in October. Also attached is a copy of the Buyout Letter, the Buyout Application, a draft of the Q&A, a draft of the Special Tax Notice and the minutes from the Pension Board meetings where this was discussed.

August 20, 2019

«Participant»
«Street_Address»
«City_State__Zip_Code»
«Email»

Dear «First_name»,

The City of Creve Coeur Defined Benefit Retirement Plan for Employees (the "Plan") is working on establishing a voluntary pension buyout program that will allow participants who have separated from service with a vested accrued benefit and who have not yet begun to receive retirement benefits under the Plan to choose to exchange their future retirement benefit for a one-time lump-sum payment.

This voluntary buyout program will only be offered for a limited time, but will be offered for at least 30 days from the date of the letter. More information about the program will be sent in October. We wanted to give you a heads up, since it will only be offered for a short period of time. You may want to discuss this option with your financial advisor.

In October, I will be mailing a detailed letter to you about this voluntary buyout program. I will also be emailing the letter (through a secure email) to those that have given me their email address. If you have given me your email address, it will appear above after your address. If you have not given me your email address and you want to, please contact me via email (lobermoeller@crevecoeurmo.gov) or phone (314-872-2519).

Sincerely,

Lori Obermoeller
Director of Finance

TO: Participant
123 Main Street
Creve Coeur, MO 63141

FROM: City of Creve Coeur

SUBJECT: Defined Benefit Pension Plan Buyout Program

DATE: October 15, 2019

The City of Creve Coeur Defined Benefit Retirement Plan for Employees (the "Plan") has established a voluntary pension buyout program (the "Buyout Program") that allows certain participants who have separated from service with a vested accrued benefit and who have not yet begun to receive retirement benefits under the Plan, to choose to exchange their future retirement benefit for a one-time lump-sum payment now. The Buyout Program is available only through November 30, 2019. **Please read both sides of this letter carefully and consider consulting a financial advisor before making any decision whether to participate in the Buyout Program.**

The Buyout Program is voluntary. If you do not want to cash out your future retirement benefit, you do not need to do anything.

If you want to participate in the Buyout Program, you must complete the enclosed *Buyout Program Application*, have it properly notarized, and mail it in the enclosed postage-paid envelope. The City of Creve Coeur must receive your completed application no later than **November 30, 2019. If you are married, your spouse must sign the application and consent to your election to participate in the Buyout Program.** The City of Creve Coeur will reject any applications that are incomplete or not received by November 30, 2019. You should consider consulting a financial advisor before deciding whether to participate in the Buyout Program. You should also consider the legal and tax consequences of the Buyout Program, which are discussed on the next page and the enclosed materials.

Your Future Retirement Benefit vs. the Buyout Payment

To help you make an informed decision, we are providing estimates of your future normal retirement benefit and your buyout payment. Benefit amounts provided in this document must be verified, meet all legal requirements, and, if necessary, be corrected before any payment can be made. We will notify you prior to payment if there is a material change (+/-5%) to these estimates.

Monthly Estimate of your future normal retirement benefit	**$814.98, payable for the remainder of your life upon your retirement, assuming you retire on your normal retirement date of 8/1/2030.** This estimated amount may change depending on when you actually retire and may be reduced if, upon your retirement, you elect a survivor benefit for a spouse or a guaranteed number of monthly payments for your beneficiary.
Estimate of your one-time lump-sum buyout payment	**$48,270.00, which is 80% of the present value of your future normal retirement benefit[1]. This amount is less than what you and/or a spouse otherwise *could potentially* receive in total future monthly retirement benefits upon your retirement.**

If you need more information about the Buyout Program, please email Lori Obermoeller at *lobermoeller@crevecoeurmo.gov*.

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[1]The discount rate used to calculate the present value of your future normal retirement benefit is 6.75%. The present value of your future normal retirement benefit is determined using unisex mortality tables and is calculated as of October 1, 2019, regardless of when you elect to participate in the Buyout Program, or we issue the buyout payment to you.

Consequences of Participation in the Buyout Program

If you elect to participate in the Buyout Program and receive the buyout payment:

- You will forfeit your future retirement benefit, your credited service with the City of Creve Coeur and all future rights to receive retirement benefits from the City of Creve Coeur.
- Your spouse and dependents, if any, will not be eligible for any potential survivor benefits from the City of Creve Coeur.
- If you subsequently become an employee in a position covered by the City of Creve Coeur, you will be considered a new employee under the City of Creve Coeur LAGERS Plan with no prior service, and you will not have the option to purchase the prior service that you forfeited in obtaining the buyout payment.

Eligibility to Participate in the Buyout Program

According to our records, you are currently eligible to participate in the Buyout Program. However, you are NOT eligible to participate in the Buyout Program if:

- You have applied for or you are receiving retirement benefits from the City of Creve Coeur.
- You are subject to a Qualified Domestic Relations Order ("QDRO") issued by a court under during a divorce proceeding.
- During the verification process, the City of Creve Coeur determines you are not eligible based on the criteria set by the Trustees of the Pension Plan

Tax Implications

- You should read the *Special Tax Notice* included with this letter and consider discussing it with a qualified tax advisor to ensure you fully understand the tax implications of electing the buyout payment.
- You may take the lump-sum buyout payment as a cash payment, as a rollover to a qualified retirement plan, or as a combination cash and rollover distribution.
- Any distribution not directly rolled over to a qualified retirement plan will be reported as taxable income in the year of payment. The City of Creve Coeur is required to withhold 20% of the taxable portion of a cash distribution for federal income tax. **If you are younger than 59 ½, an additional 10% early distribution federal tax penalty may apply.**

Buyout Program Logistics

- Properly completed applications will be accepted if received by the City on or before November 30, 2019.
- You may rescind an election to participate in the Buyout Program if you do so in writing and the City of Creve Coeur receives your rescission no later than November 30, 2019. A buyout election will be irrevocable after November 30, 2019.
- The City of Creve Coeur will send you prompt confirmation of receipt of your application. We will begin issuing payments after the deadline to rescind/change your mind has passed (11/30/2019) and will send your payment as soon as possible. However, please allow up to 90 days for payment.
- If you die before the buyout payment is issued and the City of Creve Coeur has received timely notice of your death, your application will become null and void. Any survivor benefits payable to any spouse or beneficiary will commence once all necessary documentation has been received and processed by the City of Creve Coeur.
- Your application will become null and void if you become subject to a QDRO issued by a court during a divorce proceeding and the City of Creve Coeur has received notice of the QDRO before it issues the buyout payment.

NOTE: We ask that you NOT call or email just to check the status of your application as this will slow down processing for all applicants. Please carefully read this letter and the enclosed materials to determine if the information you are seeking is included here. The City will also hold an educational session on October 29th at 6 p.m. in the Council Chambers.

Special Tax Notice Regarding Plan Payments

YOUR ROLLOVER OPTIONS

If you decide to cash out your retirement benefit from the Defined Benefit Retirement Plan for Employees of the City of Creve Coeur (the "Plan"), all or a portion of the payment you will be receiving is eligible to be rolled over to an IRA or a qualified employer plan. The following information is an excerpt from IRS materials. The Plan hopes that it is helpful to you, but reminds you that it is not a substitute for a discussion with a tax professional.

Rules that apply to most payments from a plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (generally, distributions made before age 59½), unless an exception applies. However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

What types of retirement accounts and plans may accept my rollover?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover.
The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

How do I do a rollover?

There are two ways to do a rollover. You can do either a direct rollover or a 60- day rollover.

<u>If you do a direct rollover</u>, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. Generally, you will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary);
- Required minimum distributions after age 70½ (or after death);
- Hardship distributions;
- ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends);
- Cost of life insurance paid by the Plan;
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution; and
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax applies to the part of the distribution that you must include in income and is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation;
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary);
- Payments from a governmental plan made after you separate from service if you are a qualified public safety employee and you will be at least age 50 in the year of the separation;
- Payments made due to disability;
- Payments after your death;
- Payments of ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Cost of life insurance paid by the Plan;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relations order (QDRO);
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year);
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days;
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution;
- Payments for certain distributions relating to certain federally declared disasters; and
- Phased retirement payments made to federal employees.

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions on the part of the distribution that you must include in income, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 for qualified public safety employees) does not apply.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or

separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).

- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to $10,000 used in a qualified first- time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe State income taxes?

This notice does not describe any State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

If you were born on or before January 1, 1936

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

If you are an eligible retired public safety officer and your payment is used to pay for health coverage or qualified long-term care insurance

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income Plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of $3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

If you roll over your payment to a Roth IRA

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to $10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs).*

If you are not a Plan participant

<u>Payments after death of the participant</u>. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

> **If you are a surviving spouse.** If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.
>
> An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after

you are age 70½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.

If you are a surviving beneficiary other than a spouse. If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

<u>Payments under a qualified domestic relations order</u>. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options and the same tax treatment that the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). However, payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than $200 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold federal income taxes. However, you may do a 60-day rollover.

Unless you elect otherwise, a mandatory cashout of more than $1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan administrator or the payor. A mandatory cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed $5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, *Armed Forces' Tax Guide*. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at www.irs.gov.

FOR MORE INFORMATION

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.

Mailing Address: 300 N. New Ballas Road, Creve Coeur, MO 63141
Phone: (314) 872-2519 | **Fax:** (314) 872-2539
MO Relay: 711 (Voice) • (800) 735-2966 (TTY)
Email: *lobermoeller@crevecoeurmo.gov*

Defined Benefit Retirement Plan for Employees of City of Creve Coeur
Buyout Program FAQs

Below are answers to several questions that you may have about the Creve Coeur Buyout Program.

What is the Pension Buyout Program?

This program allows certain former City of Creve Coeur employees who are vested for a pension to cash out their future monthly retirement benefit in exchange for a one-time lump-sum payment now. If you are eligible for this program, we will send you a personalized letter and application in October 2019 with an estimate of your future monthly retirement annuity and your lump-sum offer. We urge you to consider the responsibility you have to yourself in retirement and to carefully consider your options as you make your choice.

Who is eligible?

You may be eligible for the Buyout Program if all of the following are true:

- You are a former City of Creve Coeur employee who is vested under the Defined Benefit (DB) Retirement Plan for Employees of the City of Creve Coeur, AND
- You have not applied for, nor have you started receiving retirement benefits from the City of Creve Coeur, AND
- You have not reached eligibility for normal retirement, and won't before December 1, 2019. There may be other more unique conditions that may disqualify you from eligibility for the Buyout Program, but those will be explained if discovered.

How will the City of Creve Coeur calculate the lump-sum amount?

Your lump-sum buyout amount will be 80% of the present value of your future normal retirement benefit. The present value is the amount required, as of October 1, 2019, to fund your future normal retirement monthly benefit payments. Factors include your credited service, your final average pay, and various plan provisions that apply to you. Assumptions include life expectancy (using unisex mortality tables), and the DB Retirement Plans' expected rate of return on investments (assumed to be 6.75% annually).

When is the application deadline?

November 30, 2019 is the last day the City of Creve Coeur will accept completed applications for the Buyout Program. If your application is incomplete or if it has been determined that you are not eligible for the Buyout Program, we will notify you. We will send you a confirmation letter once we have received your completed application.

If I lose my application, can I get a new one?

Yes. Call us at (314) 872-2519 to request a replacement copy.

Why is spousal consent required?

Your City of Creve Coeur retirement benefit is "marital property." If you elect the buyout, your spouse must sign your application indicating that they are waiving/giving up their potential survivor benefit and that they agree with your decision.

What are the taxes on the buyout?

You may take the lump-sum buyout payment as a cash payment, as a rollover to a qualified retirement plan, or as a combination cash and rollover distribution.

- Any distribution not directly rolled over to a qualified retirement plan will be reported as taxable income in the year of payment. The City of Creve Coeur is required to withhold 20% of the taxable portion of a cash distribution for federal income tax.
- We will not withhold state taxes but you may have to pay state or local taxes if you take the buyout as a cash payment.
- If you are younger than age 59 1/2, an additional 10% early distribution federal tax penalty may apply.

We encourage you to read the Special Tax Notice brochure and speak to a tax professional before making a decision.

How do I roll over my payment?

You may roll over your lump-sum payment to your 457 Deferred Comp account if you have kept it open since leaving the City of Creve Coeur. If you are unsure if you still have an account, contact Director of Finance Lori Obermoeller at 314-872-2519 or lobermoeller@crevecoeurmo.gov.

You may roll over your payment to either an IRA or eligible employer plan (a 401(a), 401(k), 403(a), 403(b), or 457(b) that will accept the rollover). For information about rolling over your payment, please consult your financial advisor.

What can I do if I apply for the buyout but then change my mind?

You may rescind your application and election to participate in the Buyout Program. Your rescission must be in writing and must be received by the City of Creve Coeur no later than November 30, 2019.

When will I get my payment?

We will begin issuing payments for the Buyout Program in December 2019, once the deadline to rescind applications has passed. We will issue payments (via paper check to the address on your application) as soon as possible, but please allow up to 90 days for us to process your application and issue payment.

If I take the buyout, can I return to the City of Creve Coeur employment?

Yes. If you elect to participate in the Buyout Program and later decide to return to work in a City of Creve Coeur benefit-eligible position, you will be considered a new employee covered under the provisions of LAGERS. You will not retain any prior service credit and you will not have the option to purchase the prior service credit you forfeited under the Buyout Program.

What happens if I don't take the buyout?

If you do not elect the buyout, we will contact you prior to your date of eligibility for normal retirement. We will also provide you with information on how to complete the retirement process so that your monthly retirement benefit payments can begin.

Buyout Program Timeline

August 2019	October 2019	November 30, 2019	December 2019
CITY OF CREVE COEUR will mail notification letters to eligible participants about the Buyout Program that is coming October 2019	CITY OF CREVE COEUR will mail Buyout Letters, Applications, Special Tax Notice and FAQs to participants who are eligible for the Buyout Program.	Deadline for Buyout Applications. Deadline to rescind Buyout Applications (must be in writing).	CITY OF CREVE COEUR will begin issuing payments. Please allow up to **90 days** for us to process your application and issue payment.

EXHIBIT 2

HEALTH INSURANCE SURVEY 2017

Assembled by City of Des Peres

Sorted by % Premiums Paid	AVERAGE	Wildwood	Lake St L	Ellisville	Bridgeton	Des Peres	Ballwin	Creve Coeur	Rock Hill	Sunset Hills	Ferguson	Crestwood	Clayton
Purchased Thru		Broker	SLAIT	Broker	Broker	SLAIT	SLAIT	SLAIT	SLAIT	Broker	SLAIT	Broker	SLAIT
Carrier		UHC	Anthem	Cigna	UHC	Anthem	Anthem	Anthem	Anthem	UHC	Anthem	UHC	Anthem
Deductibles													
In-Network - Employee	1,444	2,000	500	1,000	500	1,000	1,500	1,500	1,500	2,000	500	5,000	1,500
In-Network - Family	2,889	4,000	1,000	2,000	1,000	2,000	3,000	3,000	3,000	4,000	1,000	10,000	3,000
Out-Network - Employee	3,135	6,000	1,000	3,000	1,000	2,000	3,000	3,000	3,000	6,000	2,000	10,000	3,000
Out-Network- Family	6,426	12,000	2,000	6,000	2,000	4,000	6,000	6,000	6,000	12,000	4,000	20,000	6,000
HRA Reimbursement													
Employee	49.5%	90.0%	0.0%	100.0%	0.0%	50.0%	66.7%	73.3%	100.0%	37.5%	0.0%	100.0%	66.7%
Family	47.9%	45.0%	0.0%	100.0%	0.0%	50.0%	66.7%	73.3%	100.0%	37.5%	0.0%	100.0%	66.7%
Net Employee Deductible	481	200	500	$ -	500	500	500	400	$ -	1,250	500	$ -	500
Net Family Deductible	1,028	2,200	1,000	$ -	1,000	1,000	1,000	800	$ -	2,500	1,000	$ -	1,000
Premiums:													
Employee	549.06	576.84	597.21	611.49	629.00	581.05	437.82	541.30	604.73	432.21	578.91	572.98	467.69
Emp + Child(ren)	1,037.56	652.34	1,045.14	1,068.90	1,293.00	1,133.19	1,345.00	1,028.51	1,178.42	756.44	1,117.20	1,004.30	841.84
Emp + Spouse	1,187.58	1,761.16	1,194.39	1,223.00	1,419.00	1,350.47	833.64	1,136.77	1,168.00	864.46	1,217.85	1,145.94	982.15
Full Family	1,588.08	1,757.84	1,642.32	1,681.63	1,922.00	1,733.50	1,345.00	1,569.81	1,843.44	1,188.64	1,707.30	1,575.67	1,356.30
Paid by City													
Employee	92.8%	100.0%	92.8%	90.0%	100.0%	90.0%	94.5%	85.0%	100.0%	100.0%	90.0%	89.0%	90.0%
Emp + Child(ren)	77.9%	100.0%	87.3%	85.0%	80.7%	90.0%	81.3%	82.6%	75.0%	78.8%	78.0%	79.0%	75.0%
Emp + Spouse	77.3%	100.0%	87.1%	85.0%	82.4%	90.0%	85.9%	82.4%	75.0%	75.8%	76.9%	79.0%	75.0%
Full Family	73.4%	100.0%	85.1%	85.0%	87.0%	75.0%	81.3%	81.7%	75.0%	70.1%	73.5%	71.0%	75.0%

EXHIBIT 2

Paid by City													
Employee	509.73	576.84	554.00	550.34	629.00	522.95	413.60	460.10	604.73	419.13	521.02	509.95	420.92
Emp + Child(ren)	807.91	652.34	912.69	908.57	1,043.00	1,019.87	1,094.02	849.87	883.82	596.04	870.91	793.40	631.38
Emp + Spouse	922.45	1,761.16	1,039.72	1,039.55	1,169.00	1,215.42	715.92	936.48	876.00	655.19	936.34	905.29	736.61
Full Family	1,169.39	1,757.84	1,398.36	1,429.39	1,672.00	1,300.13	1,094.02	1,282.91	1,382.58	833.06	1,254.48	1,118.73	1,017.23
Paid By Employee													
Employee	39.33	-	43.21	61.15	-	58.11	24.22	81.20	-	13.08	57.89	63.03	46.77
Emp + Child(ren)	229.65	-	132.45	160.34	250.00	113.32	250.98	178.64	294.61	160.40	246.29	210.90	210.46
Emp + Spouse	265.13	-	154.67	183.45	250.00	135.05	117.72	200.29	292.00	209.27	281.51	240.65	245.54
Full Family	418.69	-	243.96	252.24	250.00	433.38	250.98	286.90	460.86	355.58	452.82	456.94	339.08

Employee Maximum Monthly													
Emp Premium + Net Deductible													
Employee	79.38	16.67	84.88	61.15	41.67	99.77	65.89	114.53	-	117.25	99.56	63.03	88.44
Emp + Child(ren)	316.99	183.33	215.78	160.34	333.33	196.65	334.31	245.31	294.61	368.73	329.62	210.90	293.79
Emp + Spouse	350.78	183.33	238.00	183.45	333.33	218.38	201.05	266.96	292.00	417.60	364.84	240.65	328.87
Full Family	506.03	183.33	327.29	252.24	333.33	516.71	334.31	353.57	460.86	563.91	536.15	456.94	422.41

FOOTNOTES:

Survey Timing	All data presented is as of January 1, 2017
Aggregate Contribution	is an estimate of the average premium paid by the city representing 1 employee in each group. The author understands that the employee cens
Bridgeton	Pays 100% of Premiums for Employees; Rate for other levels of coverage vary based on date of hire. If hired before 2012, monthly employee co
Chesterfield	Has only a 2 Tiered Premium System: Employee and Familly whether he family is EMP-Child(ren), EMP-Spouse or EMP- Spouse and Child(ren)
Frontenac	Pays 90.0% of employee premium + 60.0% of difference between dependent coverage and employee premiums
Glendale	Purchased thru ACA Exchange; Premiums for Employees & Dependants Age Based; Glendale Pays 100% of employee coverage + 90.0% of differe
Hazelwood	Pays 100%of Employee Coverage + 50.0% of difference between other levels of coverage and employee coverage
Kirkwood	Offers Employees 2 Plan Options: (1) with 100% Co-Insurance and (2) with 80% Co-Insurance; city conributions are different between plans; Dat
Manchester	Pays 90.0% of employee only coverage; for other levels of coverage pays 50.0% of employee premum + part of difference between coverage an
Maryland Heights	Pays 100%of Employee Coverage + 50.0% of difference between other levels of coverage and employee coverage
Sunset Hills	Offers 2 Plans- a PPO (reflected in the survey) and (HSAPlan) within in-network deductibles of $2,600/$5,200 and premiums of $333.69(E),$58
Wildwood	Pays 100% of Premium for all coverages

EXHIBIT 2

HEALTH INSURANCE SURVEY 2017

Assembled by City of Des Peres

Sorted by % Premiums Paid	Maplewood	Glendale	Hazelwood	U City	M Heights	St Ann	Brentwood	Olivette	Webster	Town & Country	Frontenac	Manchester	Chesterfield	Kirkwood	R Heights
Purchased Thru	SLAIT	Exchange	Broker	SLAIT	SLAIT	SLAIT	SLAIT	SLAIT	Broker	SLAIT	SLAIT	Broker	SLAIT	Broker	SLAIT
Carrier	Anthem	Anthem	Cigna	Anthem	Anthem	Anthem	Anthem	Anthem	Cigna	Anthem (HSA)	Anthem	UHC	Anthem	BCBS	Anthem
Deductibles															
In-Network - Employee	250	3,500	1,000	250	250	1,500	1,500	1,000	500	2,000	1,000	5,000	1,500	750	500
In-Network - Family	500	7,000	2,000	500	500	3,000	3,000	2,000	1,000	4,000	2,000	10,000	3,000	1,500	1,000
Out-Network - Employee	500	7,000	3,000	500	500	3,000	3,000	2,000	2,000	4,000	2,000	10,000	3,000	150	1,000
Out-Network- Family	1,500	14,000	6,000	1,500	1,500	6,000	6,000	4,000	4,000	8,000	4,000	20,000	6,000	3,000	2,000
HRA Reimbursement										(HSA)					
Employee	100.0%	92.9%	0.0%	0.0%	0.0%	0.0%	75.0%	0.0%	100.0%	50.0%	50.0%	85.0%	100.0%	0.0%	0.0%
Family	100.0%	92.9%	0.0%	0.0%	0.0%	0.0%	75.0%	0.0%	100.0%	50.0%	50.0%	85.0%	100.0%	0.0%	0.0%
Net Employee Deductible	$ -	250	1,000	250	250	1,500	375	1,000	$ -	1,000	500	750	$ -	750	500
Net Family Deductible	$ -	500	2,000	500	500	3,000	750	2,000	$ -	2,000	1,000	1,500	$ -	1,500	1,000
Premiums:		Age Based													
Employee	598.40	634.62	639.61	548.19	621.56	525.62	480.72	490.38	559.06	367.71	495.61	631.18	428.02	636.36	536.35
Emp + Child(ren)	1,017.63		1,215.37	986.56	1,112.57	998.67	918.00	955.57	1,045.59	717.05	966.44	1,104.56	1,193.63	1,103.12	1,177.63
Emp + Spouse	1,316.49	1,269.24	1,344.42	1,151.00	1,392.28	1,103.80	1,012.58	1,025.06	1,320.13	772.20	1,040.78	1,262.37	1,193.63	1,260.72	1,303.21
Full Family	1,615.69		1,918.99	1,589.47	1,752.78	1,524.30	1,397.15	1,378.97	1,638.37	1,121.54	1,511.62	1,735.76	1,193.63	1,786.50	1,801.99
		At Age 50													
Paid by City															
Employee	100.0%	100.0%	100.0%	85.0%	100.0%	91.0%	100.0%	80.0%	100.0%	100.0%	90.0%	90.0%	76.6%	81.2%	90.0%
Emp + Child(ren)	73.0%	71.4%	81.7%	75.0%	77.9%	73.0%	76.2%	75.1%	77.0%	75.6%	75.4%	72.9%	67.9%	69.4%	68.2%
Emp + Spouse	84.0%	71.4%	73.8%	75.0%	72.3%	73.0%	73.7%	74.8%	73.0%	73.8%	74.3%	70.0%	67.9%	68.1%	66.5%
Full Family	65.0%	71.4%	66.7%	75.0%	67.7%	73.0%	67.2%	73.6%	67.0%	67.2%	69.8%	64.5%	67.9%	63.5%	61.9%

EXHIBIT 2

Paid by City															
Employee	598.40	634.62	639.61	465.96	621.56	478.31	480.72	392.31	559.06	367.71	446.05	568.06	328.02	517.04	482.71
Emp + Child(ren)	742.87		992.79	739.92	867.07	729.03	699.36	717.94	805.10	542.39	728.55	804.75	810.83	765.88	803.35
Emp + Spouse	1,105.85	906.23	992.02	863.25	1,006.92	805.77	746.65	766.58	963.69	569.96	773.15	883.66	810.83	858.77	866.15
Full Family	1,050.20		1,279.31	1,192.10	1,187.17	1,112.74	938.94	1,014.31	1,097.71	753.62	1,055.66	1,120.30	810.83	1,135.04	1,115.53
Paid By Employee															
Employee	-	-	-	82.23	-	47.31	-	98.07	-	-	49.56	63.12	100.00	119.32	53.64
Emp + Child(ren)	274.76		222.58	246.64	245.50	269.64	218.64	237.63	240.49	174.66	237.89	299.81	382.80	337.24	374.28
Emp + Spouse	210.64	363.01	352.40	287.75	385.36	298.03	265.93	258.48	356.44	202.24	267.63	378.71	382.80	401.95	437.06
Full Family	565.49		639.68	397.37	565.61	411.56	458.21	364.66	540.66	367.92	455.96	615.46	382.80	651.46	686.46
Employee Maximum Monthly															
Emp Premium + Net Deductible															
Employee	-	20.83	83.33	103.06	20.83	172.31	31.25	181.40	-	83.33	91.23	125.62	100.00	181.82	95.31
Emp + Child(ren)	274.76		389.25	288.31	287.17	519.64	281.14	404.30	240.49	341.33	321.22	424.81	382.80	462.24	457.61
Emp + Spouse	210.64	404.68	519.07	329.42	427.03	548.03	328.43	425.15	356.44	368.91	350.96	503.71	382.80	526.95	520.39
Full Family	565.49		806.35	439.03	607.28	661.56	520.71	531.33	540.66	534.59	539.29	740.46	382.80	776.46	769.79

FOOTNOTES:
Survey Timing
Aggregate Contribution

Bridgeton
Chesterfield
Frontenac
Glendale
Hazelwood
Kirkwood
Manchester
Maryland Heights
Sunset Hills
Wildwood

EXHIBIT 2

January 2018 Dental Benefits Survey

	Lake Saint Louis	Ballwin	Brentwood	Chesterfield		Clayton	Creve Coeur	Des Peres	ECDC	Ferguson	Frontenac	Maplewood	Maryland Heights	Olivette	Richmond Heights	Rock Hill	St. Ann	Town & Country	Webster Groves		University City	University City
Carrier	Delta Dental	Delta Dental	Delta Dental	Delta Dental	Delta Dental	Delta Dental	Delta Dental	The Standard	Delta Dental	SunLife/Assurant	Delta Dental	Delta Dental	Reliance Standard	Delta Dental	Delta Dental	MetLIfe	Standard	Delta Dental	Sunlife/Assurant	Sunlife/Assurant	Delta Dental	Delta Dental
Plan Name	Delta Dental PPO	PPO - DentacareM	Delta Dental PPO	Delta Dental PPO (Low Option)	Delta Dental PPO (High Option)	Delta Dental PPO- *self-insured*	Delta Dental PPO	PPO	Delta Dental PPO	Dental PPO	Delta Dental PPO			Delta Dental PPO	Delta Dental PPO		Ameritas PPO	Delta Dental PPO	PPO High	PPO Low	High Option- PPO	Low Option-PPO
Contract Term	7/1/17-6/30/19	6/1/2017-6/1/2018	7/1/17 - 6/30/18			10/1/16 - 9/30/18	1/1/2017 -12/31/2018	1/1/18-12/31/19	6/1/17-5/31/18	7/1/17-6/30/18	7/1/17/6/30/18			7/1/17-6/30/18	6/1/17-5/31/18	1/1/18-12/31/18	1/1/18-12/31/18	1/1-12/31/18	1/1/18-12/31/18	1/1/18-12/31/18	7/1/17-6/30/18	7/1/17-6/30/18
Calendar Year Deductible	0	50EE/150 FAM	25	50 emp/150 family	50 emp/150 family	50 emp / 150 family	25 emp/75 family	50 emp/150 family	$25/person; $75 family limit	50	25 ind / 75 fam	25	25/50 and 50/100	25 ind/75 family	$25 per person/$75 family	50 emp/150 family	0	50 emp/150 family	25	50	50 emp/150 fam	75 ind/unlim fam
Annual Maximum	2,000	1,000	1,000	1,000	1,000	1,250	1,500	1,000	1,000	1,500	$1000 ind / $2000	1,000	1500 and 1000	2,000	1,000	1,000	1,000	1,000	1,500	1,500	1,500	1,000
Preventative Services Coverage	100%	100%	80%	100%	100%	100%	100%	100%	100%	100%	100%	80%	100%	100%	100%	100%	100%	100%	100%	80%	100%	100%
Basic Services Coverage	100%	90%	80%	80%	90%	80%	80%	90%	90%	80%	80%	80%	90%/80%	80%	90%	100%	90%	90%	90%	80%	90%	70%
Major Services Coverage	60%	60%	80%	50%	60%	65%	60%	60%	60%	50%	80%	80%	60%/50%	60%	60%	60%	60%	60%	60%	50%	60%	50%
Orthodontia	50%/$1,000 max	50%/1,000 max	50%/$1,000 max	50%/$1,000 max	50%/$1,000 max	50%/$1,000 max	50%/1,500 max	50%	50%/$1,000 max	50%/1,500 max	50% /$1,000 max	50%/1,000 max	1000 manimum	50%/$1,000 max	50%/$1,000 max	50%/$1000 max	50%/1,500	50%/1,000 max	2,000 max	1,500 max	$2,000 lifetime	$1,000 lifetime
Monthly Premiums:																						
Employee	38.27	33.78	32.15	28.13	36.71	32.28	40.31	28.12	38.39	23.01	41.13	36.35	31.12	48.17	38.39	32.08	31.99	34.06	33.50	23.54	$36.12	$11.99
Emp + Child(ren)	84.91	68.22	N/A	55.75	72.73	76.59	92.22	65.18	88.25	50.64		n/a	67.68	114.54	88.25	73.70	88.64	73.23	84.00	62.00	N/A	N/A
Emp + Spouse	78.28	68.22	N/A	N/A	N/A	65.14	80.63	56.85	76.78	62.46		n/a	63.52	101.05	76.78	65.09	65.52	69.68	65.18	47.00	N/A	N/A
Full Family	133.88	125.16	82.89	95.32	117.02	109.45	123.85	92.49	127.69	97.64	106.06	93.80	82.28	141.60	127.69	114.23	122.16	116.24	128.00	86.00	$106.07	$32.44
Paid by City																						
Employee	38.27	32.24	32.15	28.13	28.13	32.28	26.76	25.31	38.39	20.89	41.13	36.35	31.12	38.54	34.55	32.08	-	34.06	-	-	$0	$0
Emp + Child(ren)	80.47	32.24	N/A	41.93	41.93	57.63	56.71	58.66	63.31	39.61		n/a	-	85.00	59.47	73.70	-	68.23	-	-	N/A	N/A
Emp + Spouse	73.89	32.24	N/A	N/A	N/A	48.89	49.58	51.17	57.58	47.61		n/a	-	75.55	53.74	65.09	-	64.68	-	-	N/A	N/A
Full Family	124.23	32.24	32.15	61.72	61.72	81.82	76.17	69.37	83.03	71.45	80.09	36.35	-	103.94	79.19	114.23	-	111.24	-	-	$0	$0
Paid By Employee																						
Employee	0	1.54	0	0	8.58	0	13.55	2.81	0	2.12	-	0	0	4.44	3.84	0	31.99	0	33.50	23.54	$36.12	$11.99
Emp + Child(ren)	4.44	35.98	N/A	13.82	30.80	18.96	35.51	6.52	24.94	11.03	N/A	N/A	42.48	13.63	28.78	-	88.64	5.00	84.00	62.00	N/A	N/A
Emp + Spouse	4.39	35.98	N/A	N/A	N/A	16.25	31.05	5.69	19.20	14.85	N/A	N/A	32.40	11.77	23.04	-	65.52	5.00	65.18	47.00	N/A	N/A
Full Family	9.65	92.92	50.74	33.60	55.30	27.63	47.68	23.12	44.66	26.19	25.97	57.45	57.08	17.38	48.50	-	122.16	5.00	128.00	86.00	$106.07	$32.44
Percentage Paid by City																						
Employee	100.0%	95.4%	100.0%	100.0%	76.6%	100.0%	66.4%	90.0%	100.0%	90.8%	100.0%	100.0%	100.0%	80.0%	90.0%	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Emp + Child(ren)	94.8%	47.3%	N/A	75.2%	57.7%	75.2%	61.5%	90.0%	71.7%	78.2%	N/A	N/A	0.0%	74.2%	67.4%	100.0%	0.0%	93.2%	0.0%	0.0%	N/A	N/A
Emp + Spouse	94.4%	47.3%	N/A	N/A	N/A	75.1%	61.5%	90.0%	75.0%	76.2%	N/A	N/A	0.0%	74.8%	70.0%	100.0%	0.0%	92.8%	0.0%	0.0%	N/A	N/A
Full Family	92.8%	25.8%	38.8%	64.8%	52.7%	74.8%	61.5%	75.0%	65.0%	73.2%	75.5%	38.8%	0.0%	73.4%	62.0%	100.0%	0.0%	95.7%	0.0%	0.0%	0.0%	0.0%
Census																						
Employee	21	52	49	61.00	43.00	55	32	28	13		13	40	200	24	57	9		19	40	33	55	71
Emp + Child(ren)	11	39	N/A	34.00	33.00	13.00	9	26	1			N/A	70.00	13.00	23	7.00		9.00	9	4	N/A	N/A
Emp + Spouse	11		N/A			22.00	13	18	8			N/A	42.00	10.00	12	2.00		5.00	8	9	N/A	N/A
Full Family	37	44	63	20.00	25.00	72	36	29	2		40	53	30	25	29	13		22	20	4	32	34
Not enrolled	2	2	0	16.00	0	11	19	0	2		0	0	0	3	4			0	5	32		

NOTES:

Brentwood: We also allow retirees on the plan - WHOLLY at their expense, currently with 12 single, 9 family coverage

Richmond Heights: We also allow retirees to continue on the plan indefinitely---wholly at their own expense, currently 11 single, 10 employee/spouse, 1 family coverage

ECDC: We also allow retirees to continue on the plan indefinitely--wholly at their own expense, currently 2 single and 1 employee/spouse

Chesterfield: Coverage options are EE, E+1 Dependent, and Family.

Town and Country: census includes employee count only and 5 retirees who pay 100% of the expense.

Maplewood: we allow retirees on the plan as well, at their expense

Health Insurance as of August 2019

Employees

Row Labels	Count of CURRENT COVERAGE	Sum of MONTHLY PREMIUM	Monthly Premium	Employee Share of the Monthly Premium	City Share of the Monthly Premium	Total Annual Cost of the Premium	City Share of the Total Annual Premium
SINGLE	36	20,679.12	574.42	86.16	488.26	248,149.44	210,928.32
FAMILY	28	46,644.92	1665.89	304.46	1361.43	559,739.04	457,440.48
EE/CHILD	16	17,463.36	1091.46	189.57	901.89	209,560.32	173,162.88
E+SPOUSE	9	10,857.06	1206.34	212.55	993.79	130,284.72	107,329.32
Grand Total	**89**	**95,644.46**				**1,147,733.52**	**948,861.00**

Retirees

Row Labels	Count of CURRENT COVERAGE	Sum of MONTHLY PREMIUM	Monthly Premium	Employee Share of Monthly Premium	City Share of the Monthly Premium	Total Annual Cost of the Premium	City Share of the Total Annual Premium
SINGLE	4	2,297.68	574.42	86.16	488.26	27,572.16	23,436.48
FAMILY	3	4,997.67	1665.89	304.46	1361.43	59,972.04	49,011.48
EE/CHILD	3	3,274.38	1091.46	189.57	901.89	39,292.56	32,468.04
E+SPOUSE	4	4,825.36	1206.34	212.55	993.79	57,904.32	47,701.92
Grand Total	**14**	**15,395.09**				**184,741.08**	**152,617.92**

Grand Total of Employees & Retirees	103	**111,039.55**				**1,332,474.60**	**1,101,478.92**

Creve Coeur, MO

Pay Code Report

Account Summary

12/1/2018 - 12/1/31

Payroll Set: 01-Payroll Set 01

Account	Account Description	Units	Pay Amount
01-11-13-5101	SALARIES - FULL TIME EMPLOYEES	0.00	600.00
01-12-11-5101	SALARIES - FULL TIME EMPLOYEES	0.00	1,650.00
01-13-11-5101	SALARIES - FULL TIME EMPLOYEES	0.00	1,200.00
01-13-14-5101	SALARIES - FULL TIME EMPLOYEES	0.00	600.00
01-21-11-5101	SALARIES - FULL TIME EMPLOYEES	0.00	1,000.00
01-21-21-5101	SALARIES - FULL TIME EMPLOYEES	0.00	1,200.00
01-21-22-5101	SALARIES - FULL TIME EMPLOYEES	0.00	3,700.00
01-31-11-5101	SALARIES - FULL TIME EMPLOYEES	0.00	600.00
01-31-41-5101	SALARIES - FULL TIME EMPLOYEES	0.00	1,100.00
01-31-43-5101	SALARIES - FULL TIME EMPLOYEES	0.00	600.00
01-32-11-5101	SALARIES - FULL TIME EMPLOYEES	0.00	600.00
01-32-61-5101	SALARIES - FULL TIME EMPLOYEES	0.00	600.00
	01 - GENERAL FUND Total:	**0.00**	**13,450.00**
06-14-31-5101	SALARIES - FULL TIME EMPLOYEES	0.00	600.00
06-14-32-5101	SALARIES - FULL TIME EMPLOYEES	0.00	600.00
	06 - MUNICIPAL ENTERPRISE FUND Total:	**0.00**	**1,200.00**
	Report Total:	**0.00**	**14,650.00**

MEMORANDUM

DATE: August 21, 2019

TO: Mark Perkins, City Administrator

FROM: Lori Obermoeller, Director of Finance

SUBJECT: Fourth Quarter FY 2019 Financial Analysis

Attached is the financial report for the General Fund, the Municipal Enterprise Fund, the Capital Fund, the Sewer Lateral Fund and the Public Safety Fund for the 4th quarter of FY 2019. These figures are preliminary and unaudited. The significant fluctuations are summarized below:

1. **General Fund**
   a. Revenues
   Overall, year-to-date revenues for FY 2019 are $1,189,529 higher than the same time period for FY 2018. The increases are primarily in the areas of:
      - Property Taxes – up $140,294, due to increase in assessed valuation
      - Sales Tax – up $169,482
      - Court Revenues – up $145,264
      - Interest Revenue – up $131,684 due to an increase in interest rates
      - Other Revenues – up $749,533 for sell of property to Drury

   Below are the major revenue sources that have decreased from FY 2018:
      - Utility Taxes - down $118,373 – FY18 included $180K for one-time lawsuit; even though we increased the residential electric and all commercial utility tax rate, the telephone revenues are down $195,920 from FY18.

   b. Expenditures
   Expenditures for the General Fund are $343,483 more than the same time period in FY 2018 due to the following fluctuations in expenditures from FY 2018:
      - Information Systems – up $42,766 primarily due to the purchase of the financial software, which most of the expenditure occurred in FY2019
      - Interdepartmental Dept. – up $33,972 dues an increase in retire insurance, insurance deductible reimbursement and an increase in unemployment claims
      - Police Department – up $246,662 due to being fully staffed or at least more than the previous year, as well as the normal increase in all salary and benefits. Also, up due to needing to purchase another vehicle due to 1 total loss from an accident, as well as more small capital equipment purchases, such as 9MM weapons
      - Community Development Dept. – $94,555 over FY18 with about $28K of this due to inspector for BJC (which is offset by revenue) and about 40K more for the pension payment for the Legacy Plan and the rest due to the normal increase in salary and benefits
      - Legal Services – are down $55,830 due to eliminating a position and using prosecuting attorney assistant to do these duties

- Finance Dept. – down $45,958 due to changing full-time position to part-time and then having that position vacant for approximately 3 during FY2019

For FY2019, operating revenues exceeded operating expenditures by $1,881,860. After transfers to the Capital Fund of $800,000 and transfers in from the Public Safety Sales Tax Fund of $131,167, the General Fund ended the year with a surplus of $1,613,027 which a lot more than the budgeted deficit of $546,383.

2. Municipal Enterprise Fund (MEF)

a. Revenues

Overall, Revenues for the Enterprise Fund are $60,035 more than what was received in FY 2018, but slightly under ($5,826) the budget for FY 2019.

b. Expenditures

Expenditures are $30,770 more than last year, with most of the increase in the Ice Arena due to the normal increase in salaries and benefits.

The year-end surplus for the MEF is $23,388, which is close to the budgeted amount for FY2019 and better than FY2018's deficit of $5,877.

3. Capital Fund

a. Revenues

At this time, revenues for the Capital Fund are down $209,234 from last year, which is due to the less in Grant revenue than FY 2018. Many projects are still ongoing, so the revenue won't come in until the project is complete. Sales Tax revenue is up $45,870.

b. Expenditures

Expenditures are at $1,053,792 less than last year due to less projects with Ladue Road being one of them at $800,000. There are may be a few other projects that haven't been completed or posted to FY 2019. More entries will be posted as we proceed through the audit. Some of the major expenditures that occurred for FY2019 are as follows:

- Ice Arena Room Beam and other Ice Area Improvements - $267,254 (Largely grant funded and still ongoing)
- Police Firing Range - $57,000 ($124,211 was total cost of the firing range, but the rest of the funding came from $25,000 in donations and $20,000 in asset forfeiture funds)
- Park Master Plan - $50,000
- Street & Sidewalks - $2,034,781
- Leaf Vauum - $59,772
- ¾ Ton Pickup with Utility Body - $36,283
- Police Vehicle - $31,253
- Police Fitness Equipment for new building - $17,500 (from donations)
- Phase II of Software Purchase for Permit - $41,839 (still ongoing)

Overall, the Capital Fund was budgeted with a $1,256,470 deficit, and we are at a surplus of $228,669. A lot of projects have not happened yet or will not happen or were re-budgeted in FY2020, such as the following:

- Stormwater Projects - $250,000 (re-budgeted in FY2020)
- Street Projects - $900,000 (still ongoing)
- Ice Arena Grant Project - $155,746 (will complete in FY2020)
- 2 Ton Dump Truck with Plow & Spreader - $129,574 (will get in August)
- 1 Ton Dump Truck with Plow & Spreader - $86,358 (re-budgeted in FY2020)

4. Sewer Lateral Fund

c. Revenues
Sewer Lateral Revenue is $1,885 more than last year.

d. Expenditures
Expenditures are $3,863 more than last year.

Overall, the Sewer Lateral Fund was budgeted with a surplus of $20,700 and it is currently at a surplus of $42,223.

5. Public Safety Fund

e. Revenues
The Public Safety Sales Tax revenues are at $1,142,516, which is $292,516 more than budgeted, but 1 month was not accrued in last year's budget that should have been, so FY2019 will be overstated by this amount of $69,657.

f. Expenditures
Expenditures are at $99,242, which is slightly under what was budgeted for FY2019.

It should be noted that the figures for this report are preliminary for FY 2019. Additional revenues and expenditures will be recorded to the funds as additional revenues come in and additional bills are paid. Even with those additional unrecorded revenues and expenditures, I do not anticipate substantial changes in the operating results. I would be pleased to respond to any questions.

City of Creve Coeur
Statement of Revenues and Expenditures
As of June 30, 2019
FY 2019

	Annual Budget	Adjusted Budget	YTD Actual	YTD With Encumb	2019 Actual As % of Adjusted Budget	*2018 4th Qtr Actual*	*2018 Actual As % of Budget*
General Fund Revenues:							
Property Taxes	672,044	672,044	710,164		105.7%	569,870	103.2%
Sales Tax	5,096,789	5,096,789	5,119,738		100.5%	4,950,256	100.0%
Utility Taxes	5,834,943	5,834,943	5,905,257		101.2%	6,023,630	102.8%
Cig., Gas, Road & Auto Sales	1,684,950	1,684,950	1,749,473		103.8%	1,728,778	78.8%
Licenses and Permits	1,029,896	1,029,896	1,142,843		111.0%	1,169,663	119.6%
Charges for Municipal Services	99,900	99,900	67,912		68.0%	79,998	77.6%
Municipal Court	428,000	428,000	628,209		146.8%	482,945	80.5%
Interest Revenue	200,000	200,000	397,543		198.8%	265,859	126.6%
Other Revenues	318,574	467,388	1,140,489		244.0%	401,100	123.3%
Total Revenues	**15,365,096**	**15,513,910**	**16,861,628**		**108.7%**	**15,672,099**	**99.4%**
General Fund Expenditures:							
Legislative Services	254,991	257,991	229,226	229,226	88.9%	453,734	95.5%
Legal Services	278,083	278,083	168,678	168,678	60.7%	0	0.0%
Administrative Services	619,909	644,909	581,901	586,511	90.2%	597,654	92.9%
Information Systems	231,817	352,113	328,960	349,690	93.4%	286,194	66.1%
Finance Department	543,929	543,929	506,024	506,024	93.0%	551,982	96.2%
Municipal Court	261,598	261,598	257,756	262,289	98.5%	234,560	90.8%
InterDepartmental	526,369	526,369	519,313	519,313	98.7%	485,341	97.9%
Community Services	134,059	134,059	125,410	127,831	93.5%	113,419	95.8%
Maint. of Municipal Prop.	358,759	377,759	351,698	370,196	93.1%	333,128	93.8%
Police Department	7,355,427	7,420,364	7,184,775	7,224,998	96.8%	6,938,113	92.8%
Public Works - Admin.	521,580	521,580	527,436	530,077	101.1%	547,614	88.7%
Street Maintenance	1,602,632	1,642,331	1,495,607	1,549,566	91.1%	1,484,114	88.9%
Health and Environment	780,000	780,000	768,230	776,952	98.5%	741,031	95.7%
Park Maintenance	500,244	500,244	428,424	444,616	85.6%	457,624	88.6%
Community Developmen	1,472,719	1,558,164	1,506,330	1,508,330	96.7%	1,411,775	95.8%
Total Expenditures	**15,442,116**	**15,799,493**	**14,979,768**	**15,154,298**	**94.8%**	**14,636,285**	**92.2%**
Total Operating Surplus (-Deficit)	**(77,020)**	**(285,583)**	**1,881,860**			**1,035,814**	
Transfers In From Other Funds	**139,200**	**139,200**	**131,167**			**0**	
Transfers Out To Other Funds	**400,000**	**400,000**	**400,000**			**1,200,000**	
	-260,800	**-260,800**	**-268,833**			**-1,200,000**	
Operating Revenues Over (under) Expenditures	**(337,820)**	**(546,383)**	**1,613,027**			**(164,186)**	

Communication: June 30, 2019 Financial Report (New Business)

City of Creve Coeur
Statement of Revenues and Expenditures
As of June 30, 2019
FY 2019

	Annual Budget	Adjusted Budget	YTD Actual	YTD With Encumb	2019 Actual As % of Adjusted Budget	*2018 4th Qtr Actual*	*2018 Actual As % of Budget*
Municipal Enterprise Fund Revenues:							
Golf Course	380,038	380,038	359,463		94.6%	385,254	102.6%
Food Service	59,600	59,600	58,353		97.9%	56,759	101.4%
Ice Arena	687,388	687,388	703,384		102.3%	613,576	98.1%
Capital Contribution	0	0	0		0.0%	5,576	0.0%
Total Revenue	**1,127,026**	**1,127,026**	**1,121,200**	**0**	**99.5%**	**1,061,165**	**100.4%**
Municipal Enterprise Fund Expenditures:							
Golf Course	528,994	528,994	517,024	521,572	97.7%	514,336	105.0%
Food Service	48,201	48,201	52,233	54,025	108.4%	54,843	133.7%
Ice Arena	524,895	524,895	528,556	534,188	100.7%	497,863	93.5%
Depreciation	0	0	0	0	0.0%	0	0.0%
Total Expenditures	**1,102,090**	**1,102,090**	**1,097,813**	**1,109,785**	**99.6%**	**1,067,043**	**100.4%**
Total Operating Surplus (-Deficit)	**24,936**	**24,936**	**23,388**			**(5,877)**	
Transfers to other Funds	**0**	**0**	**0**			**0**	
Operating Revenues Over (Under) Expenditures	**24,936**	**24,936**	**23,388**			**(5,877)**	

Communication: June 30, 2019 Financial Report (New Business)

City of Creve Coeur
Statement of Revenues and Expenditures
As of June 30, 2019
FY 2019

	Annual Budget	Adjusted Budget	YTD Actual	YTD With Encumb	2019 Actual As % of Adjusted Budget	*2018 4th Qtr Actual*	*2018 Actual As % of Budget*
Capital Improvement Fund Revenues:							
Intergovernmental	2,046,955	2,046,955	2,167,326		105.9%	2,130,456	101.1%
Interest Revenue	3,800	3,800	0		0.0%	-468	-6.2%
Other Revenues	332,000	771,000	398,426		51.7%	644,998	69.1%
Total Revenues	**2,382,755**	**2,821,755**	**2,565,752**	**0**	**90.9%**	**2,774,986**	**91.0%**
Capital Improvement Fund Expenditures:							
Personnel	85,000	85,000	83,612	83,612	98.4%	0	0.0%
Building & Improvements	40,000	540,100	324,254	365,689	60.0%	94,184	45.9%
Park Development Projects	122,500	139,878	100,596	106,796	71.9%	719,279	83.1%
Storm water Projects	250,000	250,000	3,174	4,264	1.3%	148,369	44.9%
Street Overlay/Repair	2,289,508	2,987,875	2,034,781	2,795,062	68.1%	2,444,554	68.1%
Capital Equipment	440,372	475,372	190,667	386,355	40.1%	384,489	94.5%
Total Expenditures	**3,227,380**	**4,478,225**	**2,737,083**	**3,741,778**	**61.1%**	**3,790,875**	**70.2%**
Total Operating Surplus (-Deficit)	**(844,625)**	**(1,656,470)**	**(171,331)**			**(1,015,889)**	
Transfers in from General Fund	**400,000**	**400,000**	**400,000**			**1,200,000**	
Operating Revenues Over (Under) Expenditures	**(444,625)**	**(1,256,470)**	**228,669**			**184,111**	

City of Creve Coeur
Statement of Revenues and Expenditures
As of June 30, 2019
FY 2019

	Annual Budget	Adjusted Budget	YTD Actual	YTD With Encumb	2019 Actual As % of Adjusted Budget	*2018 4th Qtr Actual*	*2018 Actual As % of Budget*
Sewer Lateral Fund							
Intergovernmental	132,200	132,200	136,425	0	103.2%	134,540	101.9%
Total Revenues	**132,200**	**132,200**	**136,425**	**0**	**103.2%**	**134,540**	**101.9%**
Sewer Lateral Fund Expenditures:							
Technical & Personal Services	1,500	1,500	0	0	0.0%	0	0.0%
Sewer Lateral Reimbursements	110,000	110,000	94,202	94,202	85.6%	90,339	82.1%
Total Expenditures	**111,500**	**111,500**	**94,202**	**94,202**	**84.5%**	**90,339**	**81.0%**
Total Operating Surplus (-Deficit)	**20,700**	**20,700**	**42,223**			**44,201**	
Operating Revenues Over (Under) Expenditures	**20,700**	**20,700**	**42,223**			**44,201**	

	Annual Budget	Adjusted Budget	YTD Actual	YTD With Encumb	2019 Actual As % of Adjusted Budget	*2018 4th Qtr Actual*	*2018 Actual As % of Budget*
Public Safety Sales Tax Fund							
Intergovernmental	850,000	850,000	1,142,516	0	134.4%	634,959	127.0%
Interest Revenue	1,000	1,000	0	0	0.0%	0	0.0%
Total Revenues	**851,000**	**851,000**	**1,142,516**	**0**	**134.3%**	**634,959**	**127.0%**
Public Safety Sales Tax Fund							
Operating Expenditures	57,008	57,008	24,833	24,916	43.6%	2,300	100.0%
Capital Expenditures	30,130	77,341	74,409	76,222	96.2%	0	0.0%
Total Expenditures	**87,138**	**134,349**	**99,242**	**101,138**	**73.9%**	**2,300**	**100.0%**
Total Operating Surplus (-Deficit)	**763,862**	**716,651**	**1,043,274**			**632,659**	
Transfers out to General Fund	**139,202**	**139,202**	**131,167**			**0**	
Operating Revenues Over (Under) Expenditures	**624,660**	**577,449**	**912,107**			**632,659**	

Investments - June 30, 2019

GENERAL FUND

Investment	CUSIP Tracking #	Instrument	Holder	Quantity	Premium / Discount	Principal	Market Value	YTM	Purchase Date	Maturity Date	Call Date	Years	Interest Earned
FHLB Bond	313379EE5			~~400,000.00~~	~~3,320.00~~	~~403,320.00~~		1.625%	7/10/2015	6/14/2019	BULLET	3.11	
FHLB Bond	313383vn8	Fed	MBS	400,000.00	1,252.98	401,252.98		2.000%	9/12/2014	9/13/2019	BULLET	5.0	
FHLB Bond	3130A6NA1	Fed	MBS	400,000.00	(77.53)	399,922.47		1.400%	10/29/2015	10/29/2019	4/29/2016	4.0	
FHLB Bond	3130A17H5	Fed	MBS	400,000.00	9,260.00	409,260.00		2.000%	1/28/2016	3/4/2020	BULLET	4.1	
FFCB	3133EGBL8	Fed	MBS	400,000.00	(250.00)	399,750.00		1.370%	5/19/2016	5/19/2020	5/19/2017	4.0	
FHLB Bond	3130A87H0	Fed	MBS	400,000.00	(160.00)	399,840.00		1.400%	5/26/2016	5/26/2020	5/26/2017	4.0	
FFCB	3133EGFNO	Fed	MBS	400,000.00	1,528.00	401,528.00		1.400%	6/28/2016	6/15/2020	6/15/2017	3.11	
FHLB Bond	3130A8NS8	Fed	MBS	400,000.00	(700.00)	399,300.00		1.240%	7/28/2016	7/13/2020	1/17/2017	3.11	
FFCB	3133EGVK8	Fed	MBS	400,000.00	(280.00)	399,720.00		1.350%	9/21/2016	9/21/2020	9/21/2017	4.0	
FHLB Bond	3130A9WK3	Fed	MBS	400,000.00	-	400,000.00		1.400%	10/28/2016	10/28/2020	4/28/2017	4.0	
FHLB Bond	3130A86G3	Fed	MBS	250,000.00	477.50	250,477.50		1.600%	6/20/2016	11/25/2020		4.5	
		Subtotal		3,850,000.00	11,050.95	3,861,050.95							-
Wells Fargo	9497486F9	CD	MBS	245,000.00	-	245,000.00		1.250%	7/8/2016	7/1/2019		2.11	
BMW Bank of North America	05580ACD4	CD	MBS	245,000.00	-	245,000.00		1.950%	7/9/2015	7/17/2019		4.0	
Morgan Stanley	61747MXT3	CD	MBS	245,000.00	-	245,000.00		1.700%	8/3/2017	8/12/2019		2.0	
Capital One NA	14042E5R7	CD	MBS	245,000.00	-	245,000.00		2.100%	8/19/2015	8/19/2019		4.0	
Tustin Comm Bank	1052926A9	CD	1sTEN	243,902.45		249,131.30		2.50%	8/21/2018	8/22/2019		1.0	501.17
Morgan Stanley	61760A-KC-2	CD	MBS	245,000.00		245,000.00		2.600%	4/12/2018	4/13/2020		2.0	
Pacific Western Bank	24045	CD	MOSIP	150,000.00		150,000.00		2.600%	5/6/2019	5/5/2020		0.11	
American Express Centurion	02587DXU7	CD	MBS	245,000.00	-	245,000.00		2.000%	5/7/2015	5/7/2020		5.0	
CFG Community Bank	34294	CD	MOSIP	243,000.00		243,000.00		2.600%	5/9/2019	5/8/2020		0.11	
Discover Bank	2546726000	CD	MBS	245,000.00	-	245,000.00		1.900%	7/26/2017	7/27/2020		3.0	
Ally Bank Midvale	02006L4S9	CD	MBS	245,000.00	-	245,000.00		1.900%	8/3/2017	8/10/2020		3.0	
Commerical Banking Co	1051021A5	CD	1sTEN	250,000.00		242,344.13		2.850%	9/6/2018	8/18/2020		1.11	554.77
Royal Banks of Missouri	1052956A2	CD	1sTEN	250,000.00		241,395.69		2.950%	9/24/2018	9/24/2020		2.0	572.35
First Technology	33715LAW0	CD	MBS	150,000.00		150,000.00		2.000%	10/17/2017	10/30/2020		3.0	
Luana Savings Bank	1049673A0	CD	1sTEN	250,000.00		240,613.51		2.850%	9/12/2018	11/23/2020		2.2	551.06
1st Technology Fed Cr Un	33715LDJ6	CD	MBS	95,000.00		95,000.00		3.200%	1/9/2019	1/8/2021		1.11	
State Bk India NY	856285-HL-8	CD	MBS	245,000.00		245,000.00		2.450%	2/14/2018	2/16/2021		3.0	
Marlin Business Bk	57116APP7	CD	MBS	245,000.00	-	245,000.00		1.900%	8/14/2017	2/23/2021		3.6	
MB FINL BK	55266C-YY-6	CD	MBS	245,000.00		245,000.00		2.600%	3/23/2018	3/23/2021		3.0	
Bristol Cnty Svgs BK	110001-AJ-3	CD	MBS	245,000.00		245,000.00		2.700%	4/18/2018	4/19/2021		3.0	
TowneBank	89214P-BL-2	CD	MBS	245,000.00		245,000.00		2.800%	4/30/2018	4/30/2021		3.0	
Horizon Bank Natl	44042WBZ9	CD	MBS	245,000.00		245,000.00		2.750%	5/4/2018	5/4/2021		3.0	
Medallion Bank	58404DCA7	CD	MBS	245,000.00		245,000.00		2.950%	6/4/2018	6/4/2021		3.0	
Univ Iowa Cr Un	91435LBB2	CD	MBS	245,000.00		245,000.00		2.450%	6/14/2019	6/14/2021		2.0	
Mercantil Bank	58733AEX3	CD	MBS	245,000.00		245,000.00		3.000%	6/21/2018	6/21/2021		3.0	
Bar HBR Bank & trust	066851WF9	CD	MBS	245,000.00		245,000.00		3.000%	6/29/2018	6/29/2021		3.0	
Midwest Bankcenter	59828QBB3	CD	MBS	245,000.00		245,000.00		2.850%	9/12/2018	9/13/2021		3.0	
Bank Midwest	063615BK3	CD	MBS	245,000.00		245,000.00		2.900%	9/17/2018	9/15/2021		2.11	
US Alliance FCU	90352RAE5	CD	MBS	245,000.00		245,000.00		3.100%	9/27/2018	9/27/2021		3.0	
JPMorgan Chase Bank	48128FZJ4	CD	MBS	245,000.00		245,000.00		3.150%	10/19/2018	10/19/2021		3.0	
Mountain Amer Fed Cr Un	62384RAH9	CD	MBS	245,000.00		245,000.00		3.200%	10/31/2018	10/29/2021		2.11	
Synchrony Bank	87164YNU4	CD	MBS	245,000.00	-	245,000.00		1.700%	10/31/2016	10/31/2021		5.0	
Capital One Bank	I404206G0	CD	MBS	245,000.00		245,000.00		2.150%	11/13/2017	11/8/2021		3.11	
Michigan Legacy	59452WAA6	CD	MBS	245,000.00		245,000.00		3.200%	11/9/2018	11/9/2021		3.0	
Third Fed Svgs & LN	88413QBY3	CD	MBS	245,000.00		245,000.00		2.500%	1/30/2018	1/31/2022		4.0	
Sallie Mae	7954502M6	CD	MBS	245,000.00		245,000.00		2.550%	4/18/2019	4/25/2022		3.0	
Comenity Cap Bank	20033AV78	CD	MBS	245,000.00		245,000.00		2.550%	4/18/2019	4/29/2022		3.0	
First Bank PR Santurce	33767A3U3	CD	MBS	245,000.00	-	245,000.00		2.250%	8/3/2017	8/11/2022		5.0	
RIA Fed Cr Un	749622AM8	CD	MBS	245,000.00		245,000.00		2.450%	6/24/2019	12/27/2022		3.6	
Goldman Sachs Bk	38148PWT0	CD	MBS	245,000.00	-	245,000.00		2.650%	1/24/2018	1/24/2023		5.0	
UBS BK USA	90348JCR9	CD	MBS	245,000.00	-	245,000.00		3.150%	5/30/2018	5/30/2023		5.0	
		Subtotal		9,716,902.45	-	9,696,484.63							2,179.35
Total General Fund				**13,566,902.45**		**13,557,535.58**							

Finance server/FY 2019 Investments
JUN19 MBS

CAPITAL IMPROVEMENT FUND

Investment	CUSIP Tracking #	Instrument	Holder	Quantity	Premium / Discount	Principal	Market Value	YTM	Purchase Date	Maturity Date	Call Date	Years	Interest Earned
Citibank Natl Assn	17312Q-H7-7	CD	MBS	245,000.00		245,000.00		2.700%	3/29/2018	3/29/2021		3.0	
Stifel BK & TR	86063Q-AB-1	CD	MBS	245,000.00		245,000.00		2.700%	3/29/2018	3/29/2021		3.0	
Total Capital Improvement Fund				**490,000.00**		**490,000.00**							

ESCROW FUND

Investment	CUSIP Tracking #	Instrument	Holder	Quantity	Premium / Discount	Principal	Market Value	YTM	Purchase Date	Maturity Date	Call Date	Years	Interest Earned
Bank Hapoalim	06251AU40	CD	MBS	245,000.00		245,000.00		2.35%	8/21/2018	8/27/2019		1.0	
East Boston Svgs Bk	27113PCT6	CD	MBS	245,000.00		245,000.00		2.45%	2/28/2019	2/28/2020		1.0	
Security State Bank	1053247A9	CD	1sTEN	250,000.00		245,070.74		2.45%	4/25/2019	4/27/2020		1.0	491.29
Bank United	066519JV2	CD	MBS	245,000.00		245,000.00		2.45%	5/30/2019	5/29/2020		0.11	
Total Escrow Fund				**985,000.00**	**-**	**980,070.74**							

TOTAL INVESTMENTS FOR ALL FUNDS **15,027,606.32**

Total Investments by Holder		
	1sTEN	1,218,555.37
	MBS	13,416,050.95
	MOSIP	393,000.00
	TOTAL INVESTMENTS	**15,027,606.32**
	MBS UNVEST CASH	
		15,027,606.32

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Communication: June 30, 2019 Financial Report (New Business)

FRAUD RISK ASSESSMENT
City of Creve Coeur

Fraud, by definition, entails intentional misconduct, designed to evade detection. A fraud risk assessment is a process to identify, analyze, and manage risk. The City must identify both external and internal risks. This assessment process will help management understand how those risks affect their activities, assess their significance, manage their effect and provide for continuous monitoring.

A detailed fraud assessment will be performed by a risk assessment team, which includes the Director of Finance and the Finance Manager who are both familiar with the financial reporting process and internal controls. The City Administrator will also participate in the assessment, as he/she is ultimately accountable for the effectiveness of the City's fraud risk management efforts. This assessment will be performed at least biennially and will be shared with the audit committee. Functions and services that will be included in this assessment are Finance (including Accounting, Purchasing and Payroll), Human Resources Management, and Information Technology.

An effective fraud risk management assessment should identify where fraud may occur and who the perpetrators might be. Therefore, control activities should always consider both the fraud scheme and the individuals within and outside the organization who could be the perpetrators of each scheme. If the scheme is collusive, preventive controls should be augmented by detective controls, as collusion negates the control effectiveness of segregation of duties.

A fraud risk assessment includes three key elements:

- <u>Fraud Risk Identification</u> — Gather information to obtain the population of fraud risks that could apply to the City. Included in this process is the explicit consideration of all types of fraud schemes and scenarios; incentives, pressures, and opportunities to commit fraud; and IT fraud risks specific to the City.
- <u>Assessment of likelihood and significance of identified fraud risk</u> — Assess the relative likelihood and potential significance of identified fraud risks based on historical information, known fraud schemes, and interviews with staff, including the City Council and management.
- <u>Respond to likely and significant fraud risks</u> — Decide what the response should be to address the identified risks and perform a cost-benefit analysis of fraud risks over which the City wants to implement controls or specific fraud detection procedures.

The City will use a grid to document the fraud risk assessment. A blank form of this grid can be found in Appendix A and an example of this grid can be found in Appendix B. The grid example in Appendix B illustrates how the elements of fraud risk identification, assessment, and response are applied in a rational, structured approach. This example begins with a list of identified fraud risks and schemes, which are then assessed for relative likelihood and significance of occurrence. Next, the risks and schemes are mapped to the people and/or departments that may be impacted and to relevant controls, which are evaluated for design effectiveness and tested to validate operating effectiveness. Lastly, residual risks are identified, and a fraud risk response is developed.

FRAUD RISK IDENTIFICATION

The risk assessment team will go through a brainstorming activity to identify the City's fraud risks. Brainstorming enables discussions of the incentives, pressures, and opportunities to commit fraud; risks of management override of controls; and the population of fraud risks relevant to the City. Other risks, such as regulatory and legal misconduct risk, as well as the impact of IT on fraud risks will also be considered in the fraud risk identification process.

Incentives, Pressures, and Opportunities

Motives for committing fraud are numerous and diverse. The fraud risk identification process will include an assessment of the incentives, pressures, and opportunities to commit fraud.

Opportunities to commit fraud exist throughout the City. These opportunities are greatest in areas with weak internal controls and a lack of segregation of duties. However, some frauds, especially those committed by management, may be difficult to detect because management can often override the controls. Such opportunities are why appropriate monitoring of senior management by the audit committee, supported by external auditors, is critical to fraud risk management.

Risk of Management's Override of Controls

As part of the risk identification process, it is important to consider the potential for management override of controls established to prevent or detect fraud. Personnel within the City generally know the controls and standard operating procedures that are in place to prevent fraud. It is reasonable to assume that individuals who are intent on committing fraud will use their knowledge of the City's controls to do it in a manner that will conceal their actions. It is also important to keep the risk of management's override of controls in mind when evaluating the effectiveness of controls; an anti-fraud control is not effective if it can be overridden easily.

Population of Fraud Risks

The fraud risk identification process requires an understanding of fraud risks and the subset of risks specific to the City. This involves understanding the City's business processes and gathering information about potential fraud from internal sources by interviewing personnel and brainstorming with them and performing analytical procedures.

There are three general categories of fraud risk: fraudulent statements, misappropriation of assets, and corruption. Potential fraud risks to consider in the three general categories include:

1) Intentional manipulation of financial statements, which can lead to:
   a. Inappropriately reported revenues.
   b. Inappropriately reported expenditures
   c. Inappropriately reflected balance sheet amounts, including reserves.
   d. Inappropriately improved and/or masked disclosures
   e. Concealing misappropriation of assets.
   f. Concealing unauthorized receipts and expenditures.

2) Misappropriation of:
   a. Assets by:
      i) Employees.
      ii) Vendors.
      iii) Former employees and others outside the organization.

3) Corruption including:
   a. Bribery and gratuities
   b. Aiding and abetting fraud by other parties (e.g., vendors).
   c. Conflicts of interest
   d. Embezzlement

Fraudulent Financial Reporting

Each of the three general categories includes at least one scheme of how the fraud could occur. For instance, the improper recognition of expenditures can be achieved via numerous schemes, including holding bills to pay in the next fiscal year and improper coding to appropriation lines. Any scheme that is relevant to the City will be considered in the assessment.

The City will use the grid in Appendix A to identify specific areas of greatest risk and as a foundation for customizing the assessment process.

The types of fraudulent financial reporting that would be most probable for a City would be to understate expenditures or miscode expenditures to avoid over spending of appropriations. Conversely, some City's may overstate expenditures to use up appropriation authority. Any intentional misstatement of accounting information represents fraudulent financial reporting.

Another consideration involves fraud where the objective is not to improve the City's financial statements, but to cover up the misappropriation or misuse of assets. In this case, the fraud also includes fraudulent financial reporting.

Misappropriation of Assets

A City's assets can be misappropriated by employees, customers, or vendors. The City will ensure that controls are in place to protect such assets. Considerations to be made in the fraud risk assessment process include gaining an understanding of what assets are subject to misappropriation, the locations where the assets are maintained, and which personnel have control over or access to assets. Common schemes include misappropriation by:

- Employees
  - Creation of, and payments to, fictitious vendors.
  - Charging personal expenses on procurement cards
  - Payment of inflated or fictitious invoices.
  - Invoices for goods not received or services not performed.
  - Theft of inventory
- Employees in collusion with vendors, customers, or third parties.
  - Payment of inflated or fictitious invoices.
  - Invoices for goods not received or services not performed.
- Vendors.
  - Inflated or fictitious invoices.
  - Short shipments or substitution of lower quality goods.
  - Invoices for goods not received or services not performed.

Protecting against these risks requires not only physical safeguarding controls, but also periodic detective controls such as physical counts of inventory.

Corruption

Corruption is operationally defined as the misuse of entrusted power for private gain. There are various types of corruption, and could include such things as taking bribes to award contract, embezzlement, and aiding and abetting vendors to commit fraud.

Information Technology and Fraud Risk

Cities rely on IT to conduct business, communicate, and process financial information. A poorly designed or inadequately controlled IT environment can expose a city to fraud. Today's computer systems, linked by national and global networks, face an ongoing threat of cyber fraud and a variety of threats that can result in significant financial and information losses. IT is an important component of any risk assessment, especially when considering fraud risks. IT risks include threats to data integrity, threats from hackers to system security, and theft of financial and sensitive information. Whether in the form of hacking, of data, viruses, or unauthorized access to data, IT fraud risks can affect everyone. In fact, IT can be used by people intent on committing fraud in any of the three general fraud risk areas. Examples of those risks by area include:

Fraudulent financial reporting

- *Unauthorized access to accounting applications* — Personnel with inappropriate access to the general ledger, subsystems, or the financial reporting tool can post fraudulent entries.
- *Override of system controls* — General computer controls include restricted system access, restricted application access, and program change controls. IT personnel may be able to access restricted data or adjust records fraudulently.

Misappropriation of assets

- *Theft of assets* — Individuals who have access to assets (e.g., cash, inventory, and fixed assets) and to the accounting systems that track and record activity related to those assets can use IT to conceal their theft of assets. For example, an individual may establish a fictitious vendor in the vendor master file to facilitate the payment of false invoices, or someone may steal inventory and record the assets as disposed of, thus removing the asset from the balance sheet.

Corruption

- *Misuse of customer data* — Personnel within or outside the organization can obtain employee data and use such information to obtain credit or for other fraudulent purposes.

Cyber fraudsters do not even have to leave their homes to commit fraud, as they can route communications through local phone companies, long-distance carriers, Internet service providers, and wireless and satellite networks. What is important is that any information — not just financial — is at risk, and the stakes are very high and rising as technology continues to evolve.

To manage the ever-growing risks of operating in the information age, a City should know its vulnerabilities and be able to mitigate risk in a cost-effective manner. Therefore, IT risk has been incorporated into the City's overall fraud risk assessment.

ASSESSMENT OF THE LIKELIHOOD AND SIGNIFICANCE OF IDENTIFIED FRAUD RISKS

Assessing the likelihood and significance of identified risks allows the City to manage its fraud risks and apply preventive and detective procedures rationally. The City must first consider fraud risks on an inherent basis, or without consideration of known controls. By taking this approach, the risk assessment team will be better able to consider all relevant fraud risks and design controls to address the risks. After mapping fraud risks to relevant controls, certain residual risks will remain, including the risk of management's override of established controls.

The risk assessment team must evaluate the potential significance of those residual risks and decide on the nature and extent of the fraud preventive and detective controls and procedures to address such risks.

Likelihood — Team's assessment of the likelihood of a fraud risk occurring is informed by instances of that particular fraud occurring in the past at the City, the prevalence of the fraud risk in the City's industry, and other factors, including the number of individual transactions, the complexity of the risk, and the number of people involved in reviewing or approving the process. The City can have as many categories of the likelihood of potential frauds occurring as deemed reasonable, but three categories are generally adequate: remote, reasonably possible, and probable.

Significance — Team's assessment of the significance of a fraud risk should include not only financial statement and monetary significance, but also significance to criminal, civil, and regulatory liability. Cities can also categorize the significance of potential frauds in as many buckets as deemed reasonable, but three categories are generally adequate: immaterial, more than significant and material.

People/department — As part of the risk assessment process, the City will have evaluated the incentives and opportunities for individuals and departments and should use the information gained in that process to assess which individuals or departments are most likely to have the opportunity to commit a fraudulent act, and, if so, via what means. This information can be summarized into the fraud risk assessment grid and can help the City design appropriate risk responses, if necessary.

RESPONSE TO LIKELY AND SIGNIFICANT FRAUD RISKS

Management will implement a level of control based on the risk tolerance it deems is necessary for the City. While there are thousands of potential controls that could be put in place, the goal is a targeted, structured and efficient approach that delivers the most benefit for the cost of resources. The overall objective is to have the benefit of the control exceed the costs. There may be certain fraud risks that the City considers too expensive and time-consuming to address via controls. However, if a fraud is discovered, zero tolerance for fraud will be applied.

APPENDIX A – BLANK FRAUD RISK ASSESSMENT FORM

Identified Fraud risks and Schemes[1]	Likelihood[2]	Significance[3]	People and/or Department[4]	Existing Anti-fraud Controls[5]	Controls Effectiveness Assessment[6]	Residual Risks[7]	Fraud Risk Response[8]
FINANCIAL REPORTING:							
MISAPPROPRIATION OF ASSETS:							
CORRUPTION:							

1. Identified Fraud Risks and Schemes: This column should include a full list of the potential fraud risks and schemes that may face the City. This list should be formed by discussions with employees and management and brainstorming sessions.
2. Likelihood of Occurrence: To design an efficient fraud risk management program, it is important to assess the likelihood of the identified fraud risks so that the City establishes proper anti-fraud controls for the risks that are deemed most likely. For purposes of the assessment, it should be adequate to evaluate the likelihood of risks as remote, reasonably possible, and probable.
3. Significance to the City: Quantitative and qualitative factors should be considered when assessing the significance of fraud risks to a City. For example, certain fraud risks may only pose an immaterial direct financial risk to the City, but could greatly impact its reputation, and therefore, would be deemed to be a more significant risk to the City. For purposes of the assessment, it should be adequate to evaluate the significance of risks as immaterial, significant, and material.
4. People and/or Department Subject to the Risk: As fraud risks are identified and assessed, it is important to evaluate which people inside and outside the City are subject to the risk. This knowledge will assist the City in tailoring its fraud risk response, including establishing appropriate segregation of duties, proper review and approval chains of authority, and proactive fraud auditing procedures.
5. Existing Anti-fraud Internal Controls: Map pre-existing controls to the relevant fraud risks identified. Note that this occurs after fraud risks are identified and assessed for likelihood and significance. By progressing in this order, this framework intends for the City to assess identified fraud risks on an inherent basis, without consideration of internal controls.
6. Assessment of Internal Controls Effectiveness: The City should have a process in place to evaluate whether the identified controls are operating effectively and mitigating fraud risks as intended. Cities should consider and review what monitoring procedures would be appropriate to implement to gain assurance that their internal control structure is operating as intended.
7. Residual Risks: After consideration of the internal control structure, it may be determined that certain fraud risks may not be mitigated adequately due to several factors, including (a) properly designed controls are not in place to address certain fraud risks or (b) controls identified are not operating effectively. These residual risks should be evaluated by the City in the development of the fraud risk response.
8. Fraud Risk Response: Residual risks should be evaluated by the City and fraud risk responses should address such remaining risk. The fraud risk response could be implementing additional controls and/or designing proactive fraud auditing techniques.

APPENDIX B - FRAUD RISK ASSESSMENT FORM EXAMPLE

The following is a brief example of a fraud risk assessment. This example does not list all possible fraud risks that a city might have. This assessment needs to be done for the following areas: Finance, Human Resources and Information Technology.

Identified Fraud risks and Schemes[1]	Likelihood[2]	Significance[3]	People and/or Department[4]	Existing Anti-fraud Controls[5]	Controls Effectiveness Assessment[6]	Residual Risks[7]	Fraud Risk Response[8]
FINANCIAL REPORTING:							
Revenue Recognition							
Recording receipts in incorrect periods	Remote	Insignificant	Accounting	Manager year end review of receipts.	Tested by Independent staff.	Risk of Management Override.	No further actio receipts are minimal and no benefit to agenc of management record in error.
Expenditure Recognition							
Holding bills	Reasonably possible	Material	Accounting	Input of bills and approval are segregated.	Tested by Independent staff.	Risk of Override.	Independent sta tests year end expenses.
Improper coding of bills	Reasonably possible	Material	Accounting	1) Input of bills and approval are segregated. 2) Review of itemized reports by Senior Management.	1) Tested by Independent staff. 2) Tested by Independent staff.	1) Risk of Override. 2) Adequately mitigated by controls.	1) Independent staff tests vouchers. 2) N/A

Identified Fraud risks and Schemes[1]	Likelihood [2]	Significance [3]	People and/or Department [4]	Existing Anti-fraud Controls[5]	Controls Effectiveness Assessment[6]	Residual Risks[7]	Fraud Risk Response[8]
Misclassification of Balances							
Reporting more receivables and less cash	Remote	Significant	Accounting	Receivable and receipt recording are segregated.	Tested by Management.	Adequately mitigated by controls.	N/A
MISAPPROPRIATION OF ASSETS:							
Cash/Checks							
At time of receipt	Probable	Insignificant	Receptionist	Independent reconciliation of receipts to deposits.	Tested by Management.	Possible that receipts aren't listed on receipt list so there would be nothing to reconcile. However, receive minimal amounts of cash/checks. Any large amounts to be coming in, either have been billed to others or management is awaiting the receipt.	N/A--Receipts are minimal.
Accounts Payable/Expenditures							
Unauthorized Pcard transactions	Probable	Material	Pcard Holders Vendors	1) Pcard Administrator is not a Pcard Holder.	1) Tested by Management.	1) Adequately mitigated by controls.	1) N/A

Identified Fraud risks and Schemes[1]	Likelihood[2]	Significance[3]	People and/or Department[4]	Existing Anti-fraud Controls[5]	Controls Effectiveness Assessment[6]	Residual Risks[7]	Fraud Risk Response[8]
				2) Pcard Administrator checks Pcard charges on-line once or twice a week.	2) Tested by Management.	2) Improper charges would be found after the fact, but policies are in place for disciplinary action for fraudulently acts.	2) There are daily and monthly spend limits so with the controls, any unauthorized amounts would be found by Pcard administrator before the amount would be significant. Also, code of conduct and Pcard policies provide for disciplinary action.
				3) Invoices required for all charges, reviewed by Senior Management, input by staff, approved by Fiscal Officer.	3) Tested by Independent staff.	3) Adequately mitigated by controls.	3) N/A
				4) Pcard Holder can check their charges on-line at any time to check for erroneous charges.	4) Tested by Management.	4) Adequately mitigated by controls-Pcard will issue credits for unauthorized charges.	4) N/A

Identified Fraud risks and Schemes[1]	Likelihood[2]	Significance[3]	People and/or Department[4]	Existing Anti-fraud Controls[5]	Controls Effectiveness Assessment[6]	Residual Risks[7]	Fraud Risk Response[8]
Fictitious Vendors	Remote	Material	Accounting	1) Only Account Associate can set up vendors. 2) Management approval of invoices and review of itemized reports.	1) Tested by Management. 2) Tested by Independent staff.	1) Accounting staff could request a vendor to be set up for a one-time only payment and Account Associate would do so if payment is under $600. Staff could set up a regular vendor, but have IRS and other forms to complete to set this up. 2) Adequately mitigated by controls.	1) One-time vendor amounts are insignificant so no further controls required on that. For other regular vendor set up, any payments would be reviewed by management, who should know most vendors they are dealing with. 2) N/A
Inflated invoices submitted by vendor	Remote	Material	Vendors	Shipments counted upon receipt.	Tested by Management	Adequately mitigated by controls.	N/A
Payroll							
Unauthorized payroll adjustments	Reasonably Possible	Material	Payroll	Management approves monthly and supplemental payroll registers and one-time payment queries.	Tested by Management.	Adequately mitigated by controls.	N/A

Identified Fraud risks and Schemes[1]	Likelihood [2]	Significance [3]	People and/or Department [4]	Existing Anti-fraud Controls[5]	Controls Effectiveness Assessment[6]	Residual Risks[7]	Fraud Risk Response[8]
Capital Assets and Inventory							
Theft by employees	Reasonably Possible	Insignificant	All employees	1) Majority of capital assets are highly visible, needed for daily work, difficult to move and would be noticed if missing. 2) Accounting for assets and inventory taking are segregated.	1) Tested by Management. 2) Tested by Management	1) Slight risk of portable items, such as laptops being taken. However, have only 6 laptops and one person assigned custody of them. 2) Adequately mitigated by controls.	1) N/A--Value of portable items is insignificant and custodian would notice missing laptops. 2) N/A
Theft by others	Remote	Insignificant	Visitors	Portable items, such as laptops are kept in a room that outsiders don't have easy access to.	Tested by Management	Adequately mitigated by controls	N/A
CORRUPTION:							
Kickbacks/conflict of interest							
Contracts improperly awarded	Remote	Material	Accounting	Senior Management reviews all payments before payment and reviews monthly itemized reports	Tested by Independent staff	Risk of Override	Testing by Independent staff

1. Identified Fraud Risks and Schemes: This column should include a full list of the potential fraud risks and schemes that may face the City. This list should be formed by discussions with employees and management and brainstorming sessions.
2. Likelihood of Occurrence: To design an efficient fraud risk management program, it is important to assess the likelihood of the identified fraud risks so that the City establishes proper anti-fraud controls for the risks that are deemed most likely. For purposes of the assessment, it should be adequate to evaluate the likelihood of risks as remote, reasonably possible, and probable.
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City of Creve Coeur
Finance Committee
FY20 Meeting Schedule
Meeting Time 4:00 PM to 5:30 PM

DATE	TOPIC
August 27, 2019	Nominate Chair & Committee Liaisons Review Employee & Retired Benefits Review Fraud Risk Assessment Review 4th Quarter Financials and Year-End Adoption of Old Olive Street Road Further Discussion of Revenue Options
November 5, 2019	Review of 1st Quarter Financials, Further Discussion of Revenue Options
February 4, 2020	Review of 2nd Quarter Financials, Review of Financial Policies
March 9, 2020	Joint Work Session with City Council to Review of Proposed 5-Year Capital Plan
March 17, 2020	Review Proposed 5-Year Capital Plan
April 21, 2020	Review Proposed Budget Preview
May 5, 2020	Review of Proposed Budget, Review 3rd Quarter Financials
June 2, 2020	Olive/Graeser TDD Audit (every 3 years) Nominate Chair

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.