Finance Committee
Committee Meeting Agenda
August 30, 2022
3:00 PM
Online

1. **Zoom Meeting**

   Due to extreme circumstances regarding the COVID-19 pandemic, this meeting will be held online only. Members of the public may access live audio and/or video at the following link:

   https://us02web.zoom.us/j/2145398964

   Meeting ID: 214 539 8964 Phone: 1-312-626-6799

2. **Call to Order**
3. **Roll Call**
4. **Approval of Agenda**
5. **Approval of Minutes**

   Approval of May 24, 2022 Finance Committee Meeting Minutes

6. **Reports**

   Chairperson

   Audit Committee

   Pension Board

   Council Liaison

   Staff - Discuss upcoming Joint Meeting

7. **Unfinished Business**
8. **New Business**

   Nominate Chair, Vice Chair & Committee Liaisons

   Review and Approve Future Calendar Dates, Time & Zoom or In-Person

   Olive Blvd TDD Review (Repeal of Sales Tax & Discharge of Bonds)

   Review of PAFR Publication

   Review 4Th Quarter Financials

Finance Committee
Committee Meeting Agenda
August 30, 2022
3:00 PM
Online

Update on Defeasance 2022

Discussion of Preliminary Audit Committee Meeting - Sept 19, 21, 23 at 10 AM

9. **Other Business**
10. **Public Comments**
11. **Adjourn**

Finance Committee
Committee Meeting Minutes
May 24, 2022
3:00 PM
Online

1. Zoom Meeting

Due to extreme circumstances regarding the COVID-19 pandemic, this meeting will be held online only. Members of the public may access live audio and/or video at the following link:

https://us02web.zoom.us/j/2145398964

Meeting ID: 214 539 8964 Phone 1-312-626-6799

2. Call to Order

Meeting was called to order at 3:04 PM

Prior to Roll Call, Mr. Gallant mentioned challenging flat revenues in the proposed council letter and budget.

Ms. Richter disagreed on taking issue with flat revenue projections, reasoning that it is a conservative budgeting approach.

Mr. Armstrong agreed with Ms. Richter stating that the budget has traditionally been very conservative.

Ms. Jordan agreed with Ms. Richter stating that the current level of macroeconomic fluctuations add complications in generating projections, and she suggested revisiting the idea next year.

Mr. Perkins agreed budget projections are conservative and stated that the projected revenue figures are supported by historically flat revenues. Mr. Perkins stated the city has recently seen a 10% increase in sales tax revenues, but he attributes that to inflation and explained it is difficult to make projections on additional increases at this time. He added that the budget is reviewed and adjusted accordingly throughout the year.

3. Roll Call

Adam Shulenburger	Vice-Chair	(Absent)
Ted Armstrong	Committe Member	
Betty Kagan	Committe Member	
Cynthia Jordan	Committee Member	
Paul Gallant	Chair	
Timothy Smith	Committee Member	
Luis Ortiz	Committee Member	(Absent)
Joseph Martinich	Council Liaison	
Lori Obermoeller	Director of Finance	
Mark Perkins	City Administrator	
Tracy Brothers	Senior Accounting Associate	
Krista Akers	Accounting Associate	
Marjorie Richter	Committee Member	

4. Approval of Agenda

Finance Committee
Committee Meeting Minutes
May 24, 2022
3:00 PM
Online

Motion to Approve Agenda

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Marjorie Richter, Committee Member
SECONDER:	Timothy Smith, Committee Member
AYES:	Armstrong, Kagan, Jordan, Gallant, Smith, Richter
ABSENT:	Shulenburger, Ortiz

5. Approval of Minutes

Approval of April 26, 2022 Finance Committee Meeting Minutes

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Ted Armstrong, Committe Member
SECONDER:	Marjorie Richter, Committee Member
AYES:	Armstrong, Kagan, Jordan, Gallant, Smith, Richter
ABSENT:	Shulenburger, Ortiz

Approval of May 10, 2022 Finance Committee Meeting Minutes

As there was not a quorum at the 5/10/22 meeting, Minutes from that meeting acted as notes and did not need to be formally accepted.

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Ted Armstrong, Committe Member
SECONDER:	Marjorie Richter, Committee Member
AYES:	Armstrong, Kagan, Jordan, Gallant, Smith, Richter
ABSENT:	Shulenburger, Ortiz

6. Reports

Chairperson

Audit Committee

Ms. Kagan reported the Audit Committee has prepared the preliminary letter for the audit, the pre-work is scheduled to begin in June, and the Audit will take place in August.

Pension Board

Council Liaison

Mr. Martinich reported a council meeting was held on 5/23/22 to discuss the FY23 budget. During this meeting, Mr. Perkins presented the proposed budget and showed, aside from ARPA funding, city revenues have grown only 1/10% to 2/10% per year, which agrees with flat revenue projections.

Mr. Martinich stated that next year Council will discuss the issue of a use tax to generate additional revenues in the future.

Staff

7. Unfinished Business

Review Proposed FY23 Budget Preview

Ms. Obermoeller displayed the proposed FY23 Budget Preview Letter to be presented to Council.

The letter detailed an FY23 surplus of $2,171,800 for all funds with $1,842,626 of the surplus being attributed to the General Fund. The General Fund surplus is primarily due to ARPA funding. The letter also recommends reviewing the Legacy Pension Plan and an opportunity to consider a COLA (cost of living adjustment) as it has been 20 years since the last COLA was offered.

Motion to Approve the Proposed Letter to Council

Motion to approve the proposed letter to Council without adding Mr. Gallant's recommended comment on concerns with flat revenue projections.

RESULT:	**APPROVED [5 TO 1]**
MOVER:	Ted Armstrong, Committe Member
SECONDER:	Betty Kagan, Committe Member
AYES:	Armstrong, Kagan, Jordan, Smith, Richter
NAYS:	Gallant
ABSENT:	Shulenburger, Ortiz

8. New Business

9. Other Business

Ms. Richter thanked Mr. Perkins, Ms. Obermoeller and Ms. Brothers for their work on the Finance Committee.

The Finance Committee thank Ms. Richter and Mr. Shulenburger for their service.

FY22 Meeting Schedule

The FY22 Meeting Schedule will be determined at the next meeting when the new members are present.

RESULT:	**ANNOUNCED**

10. Public Comments

11. Adjourn

Motion to Adjourn

Meeting adjourned at 3:31 PM

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Ted Armstrong, Committe Member
SECONDER:	Marjorie Richter, Committee Member
AYES:	Armstrong, Kagan, Jordan, Gallant, Smith, Richter
ABSENT:	Shulenburger, Ortiz

City of Creve Coeur
Finance Committee
FY23 Meeting Schedule
Meeting Time 3:00 PM to 4:30 PM

DATE	TOPIC
August 30, 2022	Nominate Chair & Committee Liaisons Review PAFR Publication Olive/Graeser TDD Review (every 3 years) 4th Quarter Financials and Year-End
October 25, 2022	Review of 1st Quarter Financials, Further Discussion of Revenue Options
January 31, 2023	Review of 2nd Quarter Financials, Review of Financial Policies
March 13, 2023	Joint Work Session with City Council to Review of Proposed 5-Year Capital Plan
March 21, 2023	Review Proposed 5-Year Capital Plan Update on Capital Projects
April 25, 2023	Review Proposed Budget Preview Review 3rd Quarter Financials
May 9, 2023	Review of Proposed Budget

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.

Popular Annual Financial Report

City of Creve Coeur, Missouri

For Fiscal Year Ending June 30, 2021

A Message from the City Administrator and the Director of Finance

Mark Perkins, ICMA-CM
City Administrator

Lori Obermoeller, CPFO
Director of Finance

Creve Coeur Citizens,

In our ongoing effort to inform Creve Coeur citizens about the state of city finances, we are pleased to present the 2021 Popular Annual Financial Report (PAFR).

The report is reflective of our commitment to preserving the city's long-term financial health. Further evidence of this is the city's AAA Standard & Poor's bond rating; Creve Coeur is one of a handful of such highly rated cities in the state of Missouri. This bond rating was renewed prior to issuance of the city's 2017 General Obligation Debt.

The financial activity statements included herein are taken from the city's Annual Comprehensive Financial Report (ACFR). The ACFR provides more detailed information and includes an audit from an independent firm of licensed certified public accountants.

The ACFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America. The PAFR is prepared in accordance with the Government Finance Officers Association standards and in conformity with GAAP.

Most of the City's services are included in the governmental funds and proprietary funds (operations of ice arena and golf course) so those are the funds that we include in the PAFR. We have not included Fiduciary Fund data information in the PAFR but this information can be found in the city's ACFR.

We hope you find this report to be informative and we welcome your comments and questions. Please feel free to contact either of us to discuss any aspect of this report. The information in this report is taken from the city's ACFR. Citizens may keep apprised of the state of city finances by reviewing the ACFR at www.crevecoeurmo.gov/ACFR or the quarterly financial reports posted to the city website at www.crevecoeurmo.gov/QuarterlyFinancial.

Sincerely,

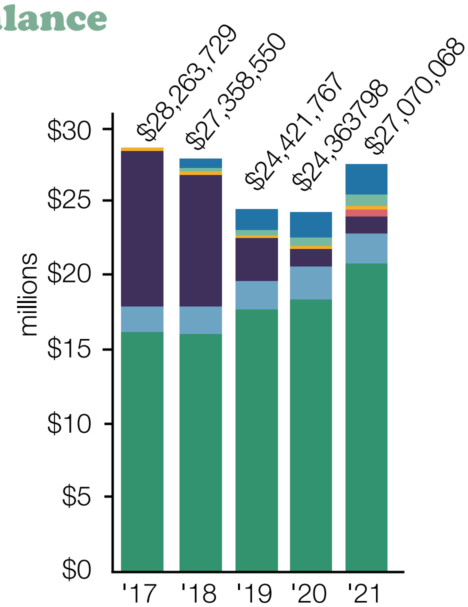
Mark Perkins
City Administrator

Lori Obermoeller
Director of Finance

Table of Contents

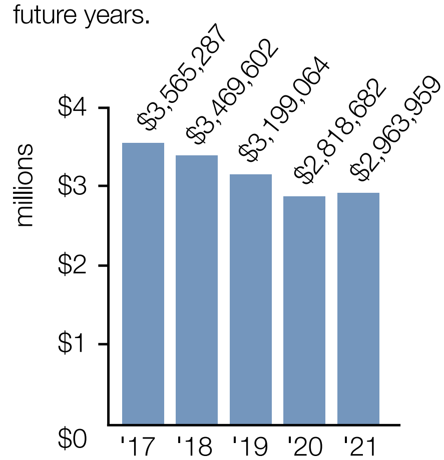
Governmental Fund Balance

The overall Fund Balance for the Governmental Funds has decreased the last few years, but increased in FY2021 mainly as a result of receiving the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funds, as well as a planned decrease in expenditures as a result of the severity of the economic downturn caused by COVID-19 combined with the uncertainty and timing of a recovery.



Enterprise Fund Balance

The Enterprise Fund Balance has decrease over the last five years and is projected to start using funds from the General Fund in future years.



Communication: Review of PAFR Publication (New Business)

Financial Activity Statements for years ended June 30, 2020 and June 30, 2021

All Governmental Fund Types

All Governmental Funds for the City include the General Fund, the Capital Improvement Fund, the Sewer Lateral Fund, the Police Building Fund, the Debt Fund, the Parks and Stormwater Fund, and the Public Safety Sales Tax Fund. During 2021, the city's revenues and sources were higher than expenditures and uses in its Governmental Funds by $2,706,270 due to the new parks and stormwater sales tax, a record number of building permits issued, and the $1.2 million received from the CARES Act.

Overall revenues increased $665,396. Expenditures decreased by $2,369,676 with a decrease in expenditures occurring in all functions, which includes General Government, Public Safety, Public Works, Community Development, Capital Outlay and Debt Service. Most of the decrease was due to the decrease in capital outlay since the police building was completed in FY20.

All Governmental Fund Types		
Revenues	2020	2021
Property Taxes	$1,684,774	$1,586,334
Sales Tax	$7,842,205	$8,122,301
Public Utility Licenses	$5,699,666	$5,396,414
Other Taxes	$137,879	$135,967
Licenses and Permits	$1,157,837	$1,610,411
Municipal Facilities	$34,997	$17,535
Intergovernmental	$2,181,781	$3,284,049
Fines & Forfeitures	$499,153	$551,411
Charges for Services	$63,868	$92,911
Investment Income	$798,585	$170,224
Miscellaneous	$421,909	$220,496
Total Revenues	$20,522,655	$21,188,051
Expenditure by Function		
General Government	$2,964,942	$2,733,508
Public Safety	$7,511,017	$7,106,518
Public Works	$3,389,371	$3,282,366
Community Development	$1,527,547	$1,476,340
Capital Outlay	$4,823,385	$3,250,118
Debt Service (Principal & Interest)	$713,006	$710,742
Total Expenditures	$20,929,268	$18,559,592
Other Financing Sources/Uses		
Transfers-In	$629,802	$596,366
Transfers-Out	$629,802	$596,366
Net Bond Proceeds	$0	$0
Proceeds from Capital Lease	$0	$0
Proceeds from Sale of Capital Assets	$39,367	$77,810
Net Changes in Fund Balance	($367,246)	$2,706,270

Enterprise Fund

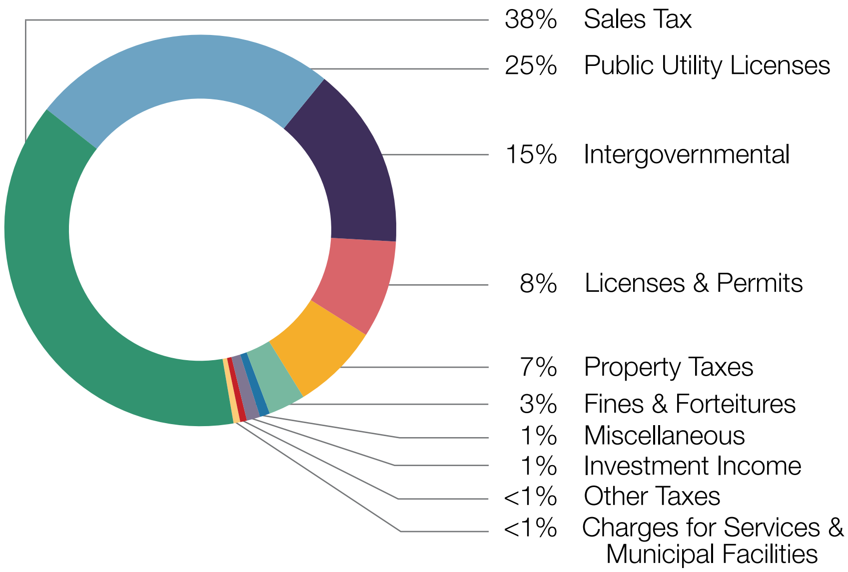
The Enterprise Fund records the financial activity of the recreation activities conducted at the Dielmann Recreation Complex. The operating loss of the Enterprise Fund decreased in 2021 from $380,382 to $277,902. The revenue of the Enterprise Fund covered almost all operating expenses in 2021 with the exception of depreciation of capital assets.

While depreciation is a "non-cash" expense that is reflected on the Enterprise Fund statements, the City does not fund depreciation because the capital assets depreciating in the Enterprise Fund are funded out of the Capital Improvement Fund. Therefore, the user fees for the Enterprise Fund are established only to recover operation costs excluding depreciation.

Enterprise Fund		
Revenues	2020	202
Food Service Revenues	$47,041	$40,30
Golf Course Revenues	$404,854	$557,2
Ice Arena Revenues	$515,427	$554,82
Total Operating Revenues	$967,322	$1,152,34
Operating Expenses		
Food Service Expenses	$46,256	$32,04
Golf Course Expenses	$496,116	$552,80
Ice Arena Expenses	$508,741	$512,86
Depreciation	$298,026	$319,72
Total Operating Expenses	$1,349,139	$1,417,44
Non-Operating Revenue (Expenses)		
Investment Income	$2,150	$17
Misc. Revenue	$0	$12,84
Interest Expense	$0	$
Loss on Disposal of Assets	($715)	($25,81
Total Non-Operating Revenue (Expenses)	$1,435	($12,80
Loss Before Capital Contributions & Transfers	($380,382)	($277,90
Capital Contributions	$0	$37,50
Transfers-In	$0	$
Proceeds from Sale of Capital Assets	$0	($11,20
Change in Net Assets	($380,382)	($251,60
Net Assets, July 1	$3,199,064	$3,215,55
Net Assets, June 30	$2,818,682	$2,963,95

*The City recorded prior period adjustments and restated net position as June 30, 2020. These adjustments were made to correct misstatements capital assets which increased the Enterprise Fund beginning balance by $396,876. Additionally, the City recorded prior period adjustments to cor record certain expenditures which should have been recorded during FY but were recorded in the prior year for the Governmental Funds of $309,276.

Where Does the Money Come From?



Governmental Fund Revenues	FY2021
Sales Tax	$8,122,30
Public Utility Licenses	$5,396,41
Intergovernmental	$3,284,04
Licenses and Permits	$1,610,41
Property Taxes	$1,586,33
Fines & Forfeitures	$551,41
Miscellaneous	$220,49
Investment Income	$170,22
Other Taxes	$135,96
Charges for Services	$92,91
Municipal Facilities	$17,53
Total	$21,188,05

Sales Tax: derived from the 1.25 percent general retail sales tax, the 0.5 percent capital sales tax, the 0.5 percent public safety sales tax, and the 0.5 percent parks and stormwater sales tax. A portion of the sales tax revenue is shared with other cities and St. Louis County (see article on page 6).

Public Utility Licenses: as of the end of FY2021, the gross receipts tax on sales of electric, gas, telephone and water services within the city were 8 percent for commercial. Residential rates were 7 percent. These commercial rates were amended effective November 1, 2018. Residential electric rates were amended effective March 1, 2019. A 5 percent video service fee is also included.

Intergovernmental: revenues from grants and pass-through monies from the state of Missouri and the U.S. government, including gasoline tax, auto sales tax and road and bridge money.

Property Taxes: derived from the city's real estate tax rate of $0.073 for residential and $0.080 for commercial property per $100 assessed valuation. 2021 also includes a Creve Coeur debt levy of $0.068.

Licenses & Permits: includes building permits, business licenses, and other permits.

Investment Income: revenue earned by investing city funds throughout the year, pursuant to the city's investment policy.

Fines & Forfeitures: derived from fines and costs levied in the court.

Miscellaneous: derived from sources such as reimbursements, refunds and other sources.

Other Taxes: primarily tax revenues for the sewer lateral program.

Municipal Facilities & Charges for Services: revenues from fees for use of city facilities and recreation programs and charges for services such as the school resource office contract with the Parkway School District.

How Are Capital Improvement Funds Spent?

The Capital Improvement Program (CIP) is the city's long-range planning tool for improvements to infrastructure, parks and other community facilities and to establish funding for high-priority projects in a timely and cost-effective fashion. The CIP provides a systematic approach to replacing deteriorating infrastructure and major capital equipment, and adding new facilities that enhance the quality of life in Creve Coeur.

The CIP covers a five-year period and is updated annually. The Planning and Zoning Commission and Finance Committee review the plan and forward a recommendation to the City Council. The City Council holds a public hearing and ultimately decides on the CIP's adoption.

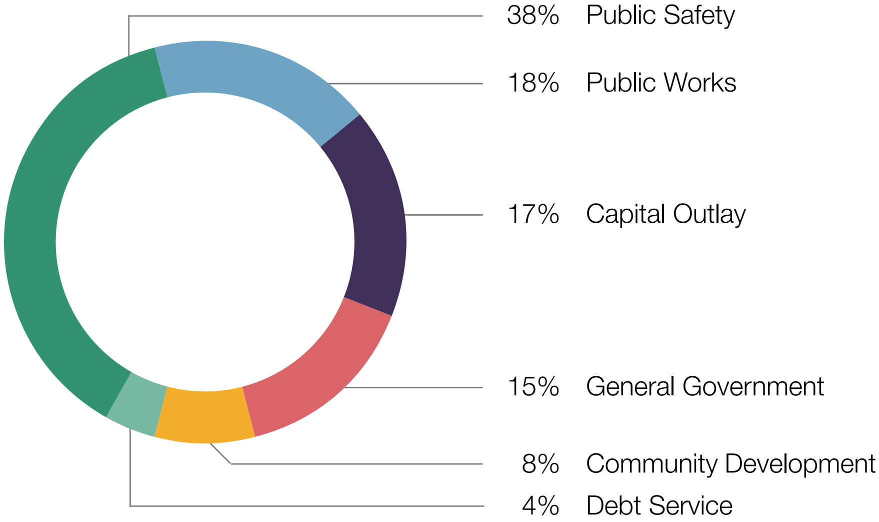
The CIP and other long-range planning documents are available for review at the Government Center and on the city's website at www.crevecoeurmo.gov/CIP.

Projects are prioritized based on the following criteria:

- Public safety
- Condition of existing facility
- Operating efficiency
- Citizen demand
- Economic growth
- Protection & conservatio
- Beautification
- Coordination (projects, regulations)
- Availability of funding

Capital Fund Expenditures	FY2021
Streets & Sidewalks	$2,008,793
Stormwater	$287,721
Capital Equipment	$180,078
Building Improvements	$2,862
Parks & Recreation	$254,338
Administration	$92,183
Total	$2,825,975

Where Does the Money Go?



Governmental Fund Expenditures	FY2021
Public Safety	$7,106,518
Public Works	$3,282,366
Capital Outlay	$3,250,118
General Government	$2,733,508
Community Development	$1,476,340
Debt Service	$710,742
Total	$18,559,592

Public Safety: expenditures relating to the police department, including administration, investigation, patrol and dispatching.

Capital Outlay: accounts used to purchase capital items and the construction or acquisition of major capital facilities.

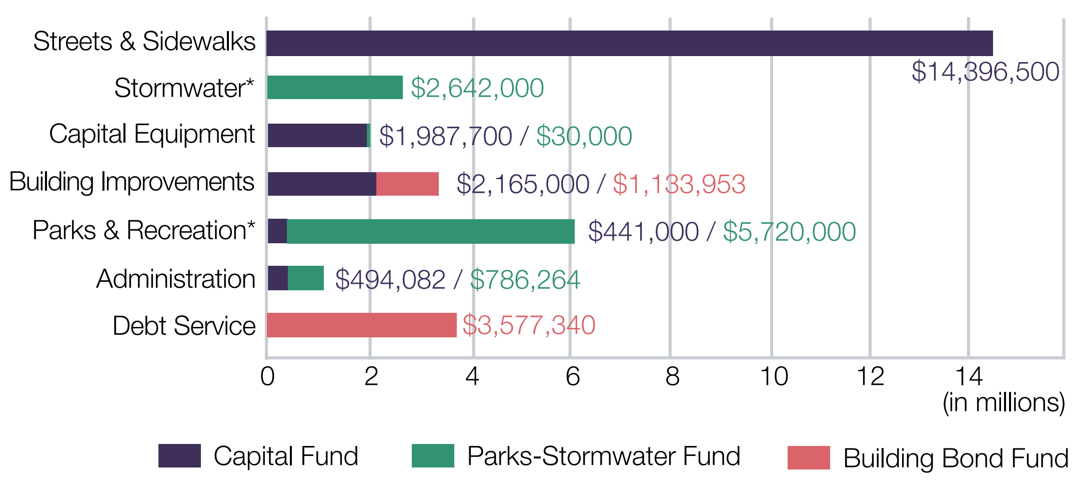
Public Works: expenditures relating to services such as streets and sidewalk maintenance, parks, building maintenance, refuse and recycling collection, engineering and other related services.

General Government: expenditures relating to city council, city clerk, city administrator's office, finance, municipal court, insurance, sewer lateral program and other related functions.

Community Development: expenditures relating to planning, zoning, building inspection and code enforcement.

Debt Service: debt service payments include both principal and interest debt issued for the construction of the police building (2017). Construction was completed during fall of 2019.

CIP Five-Year Projections (FY2022-2026)



*In November 2020, voters in Creve Coeur approved a half-cent sales tax that is dedicated to capital improvements, operations and maintenance for the City's parks and stormwater infrastructure. This new revenue source necessitated the creation of the Parks and Stormwater Fund, which will be supplemented by grants and other outside funding related to parks and stormwater. The five-year projected expenses for the fund is $11.3 million.

How Is Property Tax Revenue Allocated?

The average Creve Coeur homeowner ($400,000 market value house) pays $5,392 to $5,414 in real estate taxes to all taxing entities combined. Of this amount, the City of Creve Coeur receives $107, or about 2 percent of the total tax bill. These revenues support the City's General Fund (0.073) and Debt Service (0.068). Sewer taxes vary subject to your location.

Tax Entity (FY2021)	Rate	Cos
Parkway School District	3.6390	$2,76
Ladue School District	3.6100	$2,74
Creve Coeur Fire District	0.9750	$74
Special School District	1.0158	$77
County	0.4180	$31
Community College	0.2787	$21
Metro Zoo	0.2455	$18
Library	0.2060	$15
Disability	0.0710	$5
City of Creve Coeur	**0.1410**	**$10**
State	0.0300	$2
MSD Sewer	0.1041	$7
Total Parkway School District	7.1241	$5,41
Total Ladue School District	7.0951	$5,39

Outstanding Debt 2017-2021

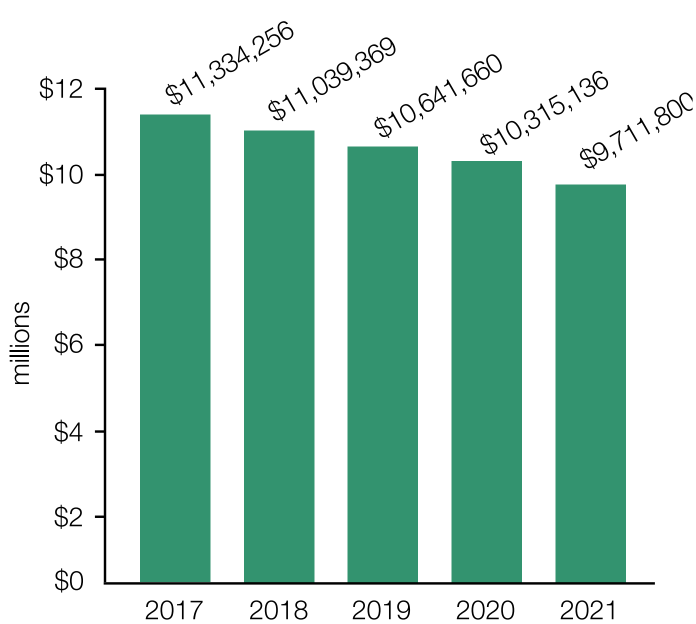
2017 Police Building Debt: in April 2017, Creve Coeur issued general obligation bonds to finance the construction, furnishing and equipping of a new police station and to fund safety, security and accessibility improvements to the Creve Coeur Government Center. The bonds bear interest ranging from 2 to 3.125 percent. The debt service is paid from a property tax levy of .068 per $100 of assessed valuation. The bonds will mature March 1, 2037.

Capital Lease Payable: provided funds to acquire certain office equipment for city departments.

Compensated Absences: reflects the outstanding liability on the city's financial statement for the value of employees' accumulation of vacation time. Most of this vacation will be used during the normal course of operations during the city's fiscal year.

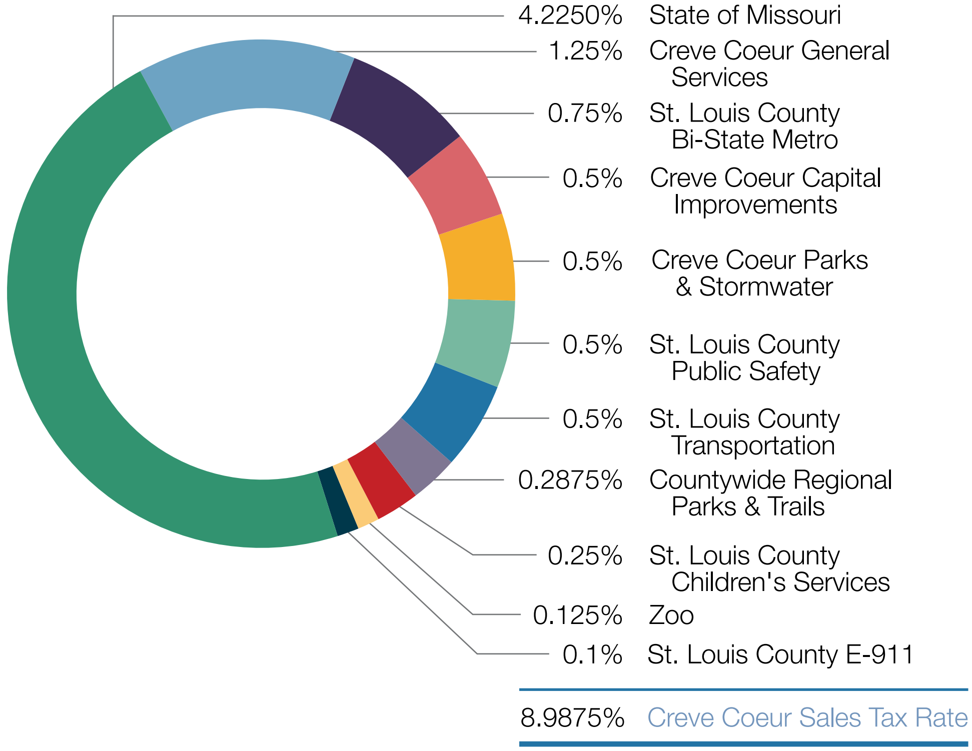
City of Creve Coeur Outstanding Debt June 30, 2021	
Police Building Debt	$9,189,602
Capital Lease Payable	$0
Compensated Absences	$522,198
Total Debt	$9,711,800

Outstanding Debt 2017-2021



Sales Tax Revenue Sharing in St. Louis County

Distribution of Sales Tax Rate



Retail sales in St. Louis County are subject to a 1 percent local sales tax that is shared among the cities in St. Louis County and the county itself. St. Louis County is the only county in the state where sales tax sharing applies, pursuant to state legislation adopted in 1993 which identifies each city as either 'A', 'B' or 'A/B'. The city's one-half cent capital improvement sales tax and one-quarter cent local option sales tax are also shared. The capital sales tax is shared at a fixed rate of 15%. The parks and stormwater sales tax is not subject to sharing.

'A' Cities: 'A' cities, or 'point-of-sales' cities, receive sales tax revenue generated within their city limits, but also share a portion of their revenue with other cities if the average sales tax income per capita exceeds the average sales tax income per capita countywide. As a result of the sharing formula, Creve Coeur shared approximately 17.5% of sales tax revenue with other cities and St. Louis County in FY21.

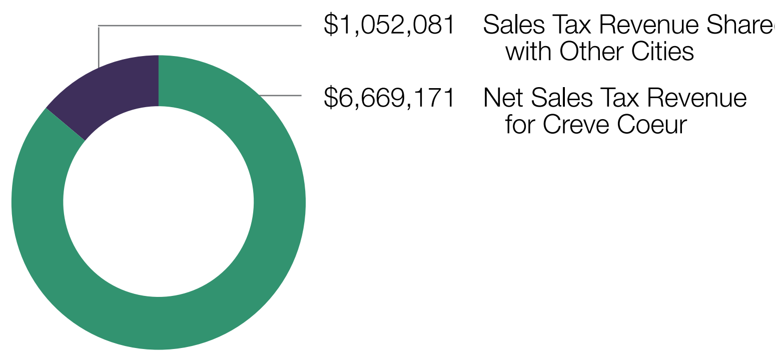
'B' Cities: 'B' cities, also called 'pool' cities, receive a population based pro-rated share of the sales tax revenue collected by St. Louis County. Newly created cities and areas annexed since the sharing formula became effective are 'B' cities.

'A/B' Cities: 'A/B' cities are those that were in existence at the time the sharing formula was created and are a mixture of 'A' ('point-of-sale') and 'B' ('pool').

Creve Coeur is an 'A/B' city, primarily a 'point-of-sale' ('A') city except for Ward 4 and a section of Ward 1, east of Lindbergh and north of Olive, which were annexed by the City in the 1990s. These areas are 'pool' ('B').

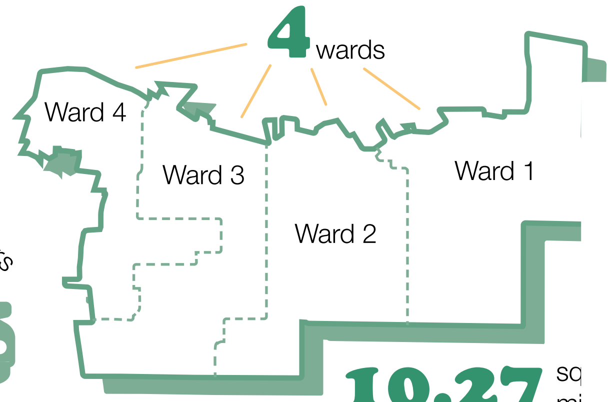
Total sales tax revenue generated in Creve Coeur last year was approximately $7,721,252 for general and capital sales tax. However, $1,052,081 was shared with other cities under the County formula, resulting in net sales tax revenue for Creve Coeur of $6,669,171. As a result of the sharing legislation, the City of Creve Coeur receives approximately 86% of the sales tax revenue generated by Creve Coeur businesses with the remaining 14% shared with other cities and the county.

Sales Tax Generated in Creve Coeur (FY21



Communication: Review of PAFR Publication (New Business)

Creve Coeur by the Numbers



10.27 sq mi

The Basics...

incorporated in **1949**

home rule charter adopted in **1976**

Council–City Administrator form of government

106 full-time employees

49 sworn officers

In the Parks...

6 parks

1 indoor ice arena

1 9-hole golf course

8 tennis courts

94 acres of parks

In the Community...

$402,300 median home value

8,756 housing units

$96,319 median household income

78.9 centerline miles of streets maintained by the city

Population of **18,834**

Acknowledgments

Thank you to the Finance Committee and Audit Committee for their support and dedication in advising the City Council on financial matters impacting the City.

The Finance Committee consists of seven to nine members. Primary responsibilities and duties include review of the annual budget annually, review the Capital Improvement Plan (CIP) annually, and advising the City Council on other financial matters impacting the City as requested by the City Council or staff.

The Audit Committee consists of three Council members and two Finance Committee members, serving as an advisory body to the City Council on matters concerning the City's annual audit. Primary responsibilities and duties of the committee include coordinating the process of soliciting, selecting and hiring of the auditing firm, working cooperatively with the auditing firm, and reviewing and presenting recommendations on audit results to the City Council.

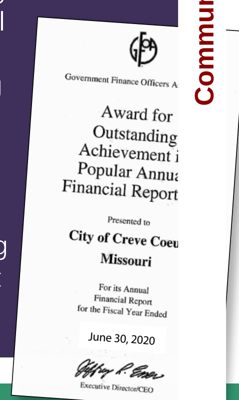
The information in the City of Creve Coeur Popular Annual Financial Report is taken from the City of Creve Coeur Annual Comprehensive Financial Report (ACFR).

A copy of the ACFR available at the Government Center and online at www.crevecoeurmo.gov/ACFR.

Award for Outstanding Achievement in Popular Annual Financial Reporting

The City of Creve Coeur was the recipient of the Award for Outstanding Achievement in Popular Annual Financial Reporting by the Government Finance Officers Association of the United States and Canada for its Popular Annual Financial Report for fiscal year ending June 30, 2020.

The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. Visit www.gfoa.org for more information about this award and its criteria.



City of Creve Coeu
300 N. New Ballas Rd
Creve Coeur, MO 6314
Phone: 314-432-600
Fax: 314-872-253
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Facebook.com/CityofCreveCoeur
Twitter.co

MEMORANDUM

DATE: August 17, 2022

TO: Mark Perkins, City Administrator

FROM: Lori Obermoeller, Director of Finance

SUBJECT: Fourth Quarter FY 2022 Financial Analysis

Attached is the financial report for the General Fund, the Municipal Enterprise Fund, the Capital Fund, the Park & Stormwater Fund, the Sewer Lateral Fund and the Public Safety Fund for the 4th quarter of FY 2022. Some of the fluctuations in both revenues and expenditures worth discussion are as follows:

1. **General Fund**
   a. Revenues
   Overall, revenues for FY 2022 are $1,856,773 more than revenues for the same time period in FY 2021. Below are some of the revenue sources that are worth mentioning:
      - Sales Tax up $652,355 from FY 2021 due to businesses opening back up after the COVID-19 pandemic. This amount is a little over $251K more than FY2019 (pre-pandemic).
      - Utility Taxes are $226,396 more, with most of the increase attributable to electric and gas. Telephone and Video Service Fees were down about $150Kfrom the prior year.
      - Licenses & Permits are up $269,093 mainly due to building permits.
      - Municipal Court is down $99,980 from last year.
      - Interest Revenue is down $44,099 due to investing in instruments with lower interest rates since the pandemic.
      - Other Revenues are up $707,585 due to $1,878,825 from ARPA Funds. However, last year at this time, we had received $1,226,393 from CARES Act. Also included in FY 2022 is $97,154 from SLAIT for health insurance surplus, where last year we only received $30,868.

   b. Expenditures
   Expenditures for the General Fund are $179,214 less than the same time period in FY 2021. Below are some items worth mentioning:
      - Personnel costs are down as a result of turnover and the delay in filling the vacant positions.

While revenues are way up from the previous year mainly due to ARPA Funds, expenditures are $1.5M less than budget.

We budgeted a deficit of $891,316 for FY 2022, but as a result of the ARPA Funds of $1.8M, Sales Tax coming in $900K more than budgeted, Building Permit coming in $632K more than budgeted, expenditures being $1.5M under budget, and not transferring out $250K to Capital Fund and not needing to transfer $83K to the Enterprise Fund, we anticipate ending the fiscal year with a surplus of approximately $4.8M.

2. **Municipal Enterprise Fund**
   a. Revenues
   Overall, Revenues for the Enterprise Fund are $113,214 more than what was received in FY 2021. Golf revenues have finally reached its peak and are now $60,556 less than last year at this time. Ice is $161,158 more than last year. Food revenues are $12,613 more than last year.

   b. Expenditures
   Expenditures are $76,220 more than last year with most of that being due to an increase in personnel costs.

We budgeted an decrease in revenues and expenditures, included a transfer-in from the General Fund of $83,291, and anticipated ending the Enterprise Fund for FY 2022 with a deficit of $7,836. However, it looks like we will end FY 2022 with a surplus of about $67K mainly because revenues came in much better than we anticipated.

3. **Capital Fund**
   a. Revenues
   At this time, revenues for the Capital Fund are up $714,827 from last year due to an increase in sales tax of $245,205, an increase of $255,493 in grants received in FY 2022 (timing of grant projects), reclassifying Kings Landing Settlement of $41,873 from 2011 for traffic signal improvements which have been completed, and $177,802 from insurance reimbursement due to hail damage to the buildings in in July 2021.

   b. Expenditures
   Expenditures are $67,186 more than last year at this time. We had less spending in Park Development and Storm Water Projects in FY 2022 due to these type of expenditures now being budgeted in the Parks & Stormwater Fund.

The Capital Fund is way under budget in expenditures but many of the street projects and capital equipment items were delayed until FY 2023. Instead of ending with a deficit of over $1.7M, we anticipate ending with a surplus of over $590K.

4. **Park & Stormwater Fund**
   a. Revenues
   The parks and stormwater one-half cent sales tax became effective April 1, 2021. The revenue received through this 4th quarter is $2,564,709, which is $664,709 more than we had budgeted, but we budgeted low since the financial effects from the COVID pandemic were still unpredictable.

   b. Expenditures

Because this is a new fund and many projects are still in the planning and design phase, only $909,477 has been spent year-to-date. Some examples of these expenditures include the Malcolm Terrace Park Nature Trail Rehabilitation and Parking Lot, the Malcolm Terrace Park Parking Lot Project and bathroom door replacement, Conway Park Path, Repainting & Restriping Tennis Courts and trees for the Middlebrook Stormwater Project.

5. Sewer Lateral Fund

c. Revenues
Sewer Lateral Revenue is down $1,589.

d. Expenditures
Expenditures are $9,024 more than last year.

Overall, the Sewer Lateral Fund was budgeted with a surplus of $16,822. We are at a surplus of $28,322 which is up slightly from the budget amount for FY 2022.

6. Public Safety Sales Tax Fund

e. Revenues
The Public Safety Sales Tax revenues are $107,048 more than last year at this time. Sales tax revenue is up $124,416. Last year we received $20,000 as a donation for the Bomb Dog, so we don't have that revenue in FY 2022.

f. Expenditures
Expenditures are $23,859 more than last year due to the purchase of 14 laptops ($38K) in FY 2022.

All of the operational expenditures for the new police building are now in this fund and 20% of the public safety sales tax will go towards the pension payment. In addition, $209,995 will be transferred to the General Fund to cover the ongoing costs of moving the police officers to 12-hour shifts in FY 2019, police market equity adjustment for FY 2022, as well as a lot of additional training and one-time expenditures for public safety. We have budgeted a $89,732 surplus for FY 2022. We are currently at a $324,479 surplus mainly due to the sales tax coming in much higher than what was budgeted.

It should be noted that the figures for this report are preliminary for FY 2022. 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.

Also attached is the Investment report. The 1st page and part of the 2nd page is all Pooled Fund money, which includes the General Fund, Capital Fund, Parks & Stormwater, Sewer Lateral and Public Safety Sales Tax Fund. The bottom half of the 2nd page is for Escrow only funds. You will also notice that with each section, it is sorted by Maturity Date with the earliest maturity being listed 1st. The last part of the 2nd page lists who we purchased the investments from, and as you can see, most of them are purchased through Multi-Bank Securities (MBS) with the investment being held at Pershing; all of the others are purchased and held at the financial institution listed.

I would be pleased to respond to any questions.

City of Creve Coeur
Statement of Revenues and Expenditures
As of June 30, 2022
FY 2022

	2022 Annual Budget	2022 Adjusted Budget	2022 4th Qtr Actual	Actual 2022 to Adj. Budget Fav/(Unfav)	2022 Actual As % of Adjusted Budget	*2021 4th Qtr Actual*	Actual 2022 to Actual 2021 Fav/(Unfav)	*2021 Actual As % of Budget*
General Fund Revenues:								
Property Taxes	745,557	745,557	751,219	5,662	100.8%	710,619	40,599	99.0%
Sales Tax	4,458,610	4,458,610	5,371,201	912,591	120.5%	4,718,846	652,355	119.1%
Utility Taxes	5,438,384	5,438,384	5,622,810	184,426	103.4%	5,396,414	226,396	98.3%
Intergovernmental	1,785,377	1,785,377	1,850,680	65,303	103.7%	1,780,812	69,868	108.4%
Licenses and Permits	1,158,820	1,158,820	1,879,502	720,682	162.2%	1,610,410	269,093	142.4%
Charges for Municipal Services	28,300	28,300	50,929	22,629	180.0%	15,974	34,955	21.6%
Municipal Court	538,800	538,800	451,432	(87,368)	83.8%	551,411	(99,980)	102.3%
Interest Revenue	330,000	330,000	295,808	(34,192)	89.6%	339,907	(44,099)	136.0%
Other Revenues	285,650	285,650	2,337,297	2,051,647	818.2%	1,629,713	707,585	112.7%
Total Revenues	**14,769,498**	**14,769,498**	**18,610,878**	**3,841,380**	**126.0%**	**16,754,105**	**1,856,773**	**119.5%**
General Fund Expenditures:								
Legislative Services	233,084	233,084	183,907	49,177	78.9%	235,207	51,300	101.9%
Legal Services	182,261	182,261	165,893	16,368	91.0%	148,785	(17,109)	81.6%
Administrative Services	629,821	629,821	611,206	18,615	97.0%	618,999	7,792	96.8%
Municipal Court	236,553	236,553	235,232	1,321	99.4%	237,200	1,968	90.5%
Finance Department	463,038	463,038	448,305	14,733	96.8%	413,843	(34,462)	85.5%
InterDepartmental	1,432,337	1,432,337	1,336,622	95,715	93.3%	507,903	(828,719)	89.7%
Information Systems	260,227	260,227	250,274	9,954	96.2%	264,451	14,178	97.9%
Community Services	157,863	157,863	137,649	20,214	87.2%	82,355	(55,295)	66.1%
Maint. of Municipal Prop.	307,887	307,887	236,318	71,569	76.8%	276,933	40,615	67.7%
Police Department	6,989,564	6,989,564	6,217,870	771,694	89.0%	6,800,201	582,330	93.2%
Public Works - Admin.	495,621	495,621	447,010	48,611	90.2%	539,510	92,500	99.8%
Street Maintenance	1,487,755	1,487,755	1,301,704	186,051	87.5%	1,377,424	75,720	91.2%
Health and Environment	802,120	802,120	803,384	-1,264	100.2%	769,129	(34,255)	96.5%
Park Maintenance	478,490	478,490	439,047	39,443	91.8%	419,950	(19,097)	88.4%
Community Dev.-Administration	410,710	416,710	304,063	112,647	73.0%	379,975	75,911	95.1%
Community Dev.-Building Div.	950,087	950,087	870,930	79,157	92%	1,096,765	225,835	94.3%
Total Expenditures	**15,517,418**	**15,523,418**	**13,989,414**	**1,534,004**	**90.1%**	**14,168,628**	**179,214**	**93.3%**
Total Oper. Surplus (-Deficit)	**(747,920)**	**(753,920)**	**4,621,464**	**5,375,384**		**2,585,477**	**2,035,987**	
Transfr In From Other Funds	**589,995**	**589,995**	**589,995**	**0**		**196,366**	**393,629**	
Transfers To Other Funds	**733,391**	**733,391**	**400,000**	**333,391**		**400,000**	**0**	
	(143,396)	**(143,396)**	**189,995**	**333,391**		**-203,634**	**393,629**	
Operating Revenues Over (under) Expenditures	**(891,316)**	**(897,316)**	**4,811,459**	**5,708,775**		**2,381,843**	**2,429,616**	

Communication: Review 4Th Quarter Financials (New Business)

City of Creve Coeur
Statement of Revenues and Expenditures
As of June 30, 2022
FY 2022

	2022 Annual Budget	2022 Adjusted Budget	2022 4th Qtr Actual	Actual 2022 to Adj. Budget Fav/(Unfav)	2022 Actual As % of Adjusted Budget	*2021 4th Qtr Actual*	Actual 2022 to Actual 2021 Fav/(Unfav)	*2021 Actual As % of Budget*
<u>Municipal Enterprise Fund Revenues:</u>								
Golf Course	441,955	441,955	485,230	43,275	109.8%	545,787	(60,556)	138.6%
Food Service	49,500	49,500	64,341	14,841	130.0%	51,728	12,613	84.5%
Ice Arena	585,805	585,805	691,981	106,176	118.1%	530,824	161,158	77.6%
Capital Contribution	0	0	0	0	0.0%	0	0	0.0%
Total Revenue	**1,077,260**	**1,077,260**	**1,241,553**	**164,293**	**115.3%**	**1,128,338**	**113,214**	**99.1%**
<u>Municipal Enterprise Fund Expenditures:</u>								
Golf Course	582,752	584,270	576,447	7,823	98.7%	552,801	(23,645)	98.5%
Food Service	36,203	36,203	48,809	(12,606)	134.8%	32,042	(16,767)	68.2%
Ice Arena	549,532	564,121	548,677	15,444	97.3%	512,869	(35,807)	89.7%
Depreciation	0	0	0	0	0.0%	0	0	0.0%
Total Expenditures	**1,168,487**	**1,184,594**	**1,173,932**	**10,661**	**99.1%**	**1,097,713**	**(76,220)**	**93.5%**
Total Oper. Surplus (-Deficit)	**(91,227)**	**(107,334)**	**67,621**	**174,954**		**30,626**	**36,995**	
Transfer In From Other Funds	**83,391**	**83,391**	**0**	**(83,391)**		**0**	**0**	
Transfers to other Funds	**0**	**0**	**0**	**0**		**0**	**0**	
	83,391	**83,391**	**0**	**(83,391)**				
Operating Revenues Over (Under) Expenditures	**(7,836)**	**(23,943)**	**67,621**	**91,563**		**30,626**	**36,995**	

Communication: Review 4Th Quarter Financials (New Business)

City of Creve Coeur
Statement of Revenues and Expenditures
As of June 30, 2022
FY 2022

	2022 Annual Budget	2022 Adjusted Budget	2022 4th Qtr Actual	YTD Variance Favorable/ (Unfavorable)	2022 Actual As % of Adjusted Budget	*2021 4th Qtr Actual*	YTD Variance Favorable/ (Unfavorable)	*2021 Actual As % of Budget*
Capital Improvement Fund Revenues:								
Intergovernmental	1,911,932	1,911,932	2,195,530	283,598	114.8%	1,950,326	245,205	116.3%
Interest Revenue	4,000	4,000	6,166	2,166	154.2%	11,712	(5,546)	117.1%
Other Revenues	849,000	849,000	721,470	(127,530)	85.0%	246,302	475,168	18.8%
Total Revenues	**2,764,932**	**2,764,932**	**2,923,167**	**158,235**	**105.7%**	**2,208,340**	**714,827**	**86.2%**
Capital Improvement Fund Expenditures:								
Personnel	93,082	93,082	92,906	176	99.8%	92,183	(724)	99.3%
Building & Improvements	335,000	335,000	100,570	234,430	30.0%	2,862	(97,708)	9.5%
Park Development Projects	180,000	180,000	113,245	66,756	62.9%	254,338	141,094	42.5%
Storm water Projects	0	0	0	0	0.0%	287,721	287,721	99.9%
Street Overlay/Repair	3,301,800	3,867,755	2,172,840	1,694,915	56.2%	2,008,793	(164,047)	74.9%
Capital Equipment	502,300	721,690	251,955	469,735	34.9%	18,433	(233,522)	6.6%
Total Expenditures	**4,412,182**	**5,197,527**	**2,731,516**	**2,466,011**	**52.6%**	**2,664,330**	**(67,186)**	**91.4%**
Total Oper. Surplus (-Deficit)	**(1,647,250)**	**(2,432,595)**	**191,650**	**2,624,246**		**(455,990)**	**647,641**	
Transfer in from Gen. Fund	**650,000**	**650,000**	**400,000**	**(250,000)**		**400,000**	**0**	
Operating Revenues Over (Under) Expenditures	**(997,250)**	**(1,782,595)**	**591,650**	**2,374,246**		**(55,990)**	**647,641**	

City of Creve Coeur
Statement of Revenues and Expenditures
As of June 30, 2022
FY 2022

	2022 Annual Budget	2022 Adjusted Budget	2022 4th Qtr Actual	YTD Variance Favorable/ (Unfavorable)	2022 Actual As % of Adjusted Budget	*2021 4th Qtr Actual*	YTD Variance Favorable/ (Unfavorable)	*2021 Actual As % of Budget*
Parks & Stormwater Fund Revenues:								
Intergovernmental	1,900,000	1,900,000	2,564,709	664,709	135.0%	485,907	2,078,801	0.0%
Interest Revenue	100	100	4,466	4,366	4465.7%	0	4,466	0.0%
Other Revenues	595,500	595,500	480,500	(115,000)	80.7%	0	480,500	0.0%
Total Revenues	**2,495,600**	**2,495,600**	**3,049,674**	**554,074**	**0.0%**	**485,907**	**2,563,767**	**0.0%**
Parks & Stormwater Fund Expenditures:								
Personnel	104,364	104,364	41,589	62,775	39.8%	0	(41,589)	0.0%
Park Development Projects	1,810,000	1,810,000	839,848	970,152	46.4%	0	(839,848)	0.0%
Storm water Projects	200,000	200,000	28,040	171,960	14.0%	0	(28,040)	0.0%
Capital Equipment	0	0	0	0	0.0%	0	0	0.0%
Total Expenditures	**2,114,364**	**2,114,364**	**909,477**	**1,204,887**	**0.0%**	**0**	**(909,477)**	**0.0%**
Total Oper. Surplus (-Deficit)	**381,236**	**381,236**	**2,140,198**	**1,758,962**		**485,907**	**1,654,290**	
Transfer out to General Fund	**380,000**	**380,000**	**380,000**	**0**		**0**	**380,000**	
Operating Revenues Over (Under) Expenditures	**1,236**	**1,236**	**1,760,198**	**1,758,962**		**485,907**	**2,034,290**	

City of Creve Coeur
Statement of Revenues and Expenditures
As of June 30, 2022
FY 2022

	2022 Annual Budget	2022 Adjusted Budget	2022 4th Qtr Actual	YTD Variance Favorable/ (Unfavorable)	2022 Actual As % of Adjusted Budget	*2021 4th Qtr Actual*	YTD Variance Favorable/ (Unfavorable)	*2021 Actual As % of Budget*
Sewer Lateral Fund								
Intergovernmental	132,000	132,000	134,735	2,735	102.1%	136,325	(1,589)	103.3%
Interest Revenue	200	200	0	(200)	0.0%	0	0	0.0%
Total Revenues	**132,200**	**132,200**	**134,735**	**2,535**	**101.9%**	**136,325**	**(1,589)**	**101.7%**
Sewer Lateral Fund Expenditures:								
Personnel Expenditures	14,878	14,878	14,236	642	95.7%	17,160	2,923	95.7%
Technical & Personal Services	500	500	0	500	0.0%	0	0	0.0%
Sewer Lateral Reimbursements	100,000	100,000	92,176	7,824	92.2%	80,229	(11,947)	80.2%
Total Expenditures	**115,378**	**115,378**	**106,413**	**8,965**	**92.2%**	**97,389**	**(9,024)**	**82.4%**
Total Oper. Surplus (-Deficit)	**16,822**	**16,822**	**28,322**	**11,500**		**38,936**	**(10,613)**	
Transfer in from Gen. Fund	**0**	**0**	**0**	**0**		**0**	**0**	
Operating Revenues Over (Under) Expenditures	**16,822**	**16,822**	**28,322**	**11,500**		**38,936**	**(10,613)**	

	2022 Annual Budget	2022 Adjusted Budget	2022 4th Qtr Actual	YTD Variance Favorable/ (Unfavorable)	2022 Actual As % of Adjusted Budget	*2021 4th Qtr Actual*	YTD Variance Favorable/ (Unfavorable)	*2021 Actual As % of Budget*
Public Safety Sales Tax Fund								
Intergovernmental	899,308	899,308	1,091,637	192,329	121.4%	967,222	124,416	119.9%
Interest Revenue	2,000	2,000	5,425	3,425	271.2%	2,792	2,633	14.0%
Other Revenues	0	0	0	0	0.0%	20,000	(20,000)	0.0%
Total Revenues	**901,308**	**901,308**	**1,097,062**	**195,754**	**121.7%**	**990,014**	**107,048**	**119.8%**
Public Safety Sales Tax Fund								
Personnel Expenditures	176,335	176,335	176,335	0	100.0%	189,498	13,163	103.2%
Operating Expenditures	375,698	384,172	365,655	18,517	95.2%	301,617	(64,038)	94.4%
Capital Expenditures	49,548	49,548	20,598	28,950	41.6%	47,613	27,015	66.0%
Total Expenditures	**601,581**	**610,055**	**562,588**	**47,467**	**92.2%**	**538,729**	**(23,859)**	**107.4%**
Total Oper. Surplus (-Deficit)	**299,727**	**291,253**	**534,474**	**243,221**		**451,285**	**83,189**	
Transfer out to General Fund	**209,995**	**209,995**	**209,995**	**0**		**196,366**	**(13,629)**	
Operating Revenues Over (Under) Expenditures	**89,732**	**81,258**	**324,479**	**243,221**		**254,919**	**69,560**	

Investments - June 30, 2022

POOLED FUNDS (GENERAL FUND, CAPITAL, P&S, SEWER LATERAL, PUBLIC SAFETY)

Investment	CUSIP Tracking #	Instrument	Holder	Quantity	Premium / Discount	Principal	Market Value	YTM	Purchase Date	Maturity Date	Call Date	Years	FTN Int Earned
FFCB	3133EMFB3	CD	MBS	395,000.00		395,000.00		0.290%	11/5/2020	11/2/2023		2.11	
FHLB	3130AM4A7	CD	MBS	500,000.00		500,000.00		0.500%	4/29/2021	7/29/2024		3.3	
FHLB	3134GXRF3	CD	MBS	500,000.00		500,000.00		2.625%	4/29/2022	7/29/2024		2.3	
FHLB	3130ANRB8	CD	MBS	500,000.00		500,000.00		0.550%	9/17/2021	12/17/2024		3.3	
FHLB	3130AQHS5	CD	MBS	250,000.00		250,000.00		1.250%	1/28/2022	1/28/2025		3.0	
FHLB	3130AQWD1	CD	MBS	1,000,000.00		1,000,000.00		1.650%	2/28/2022	2/28/2025		3.0	
FHLB	3130ARPL9	CD	MBS	500,000.00		500,000.00		3.125%	4/29/2022	4/29/2025		3.0	
FFCB	3133EM3E0	CD	MBS	450,000.00		450,000.00		0.610%	9/9/2021	5/23/2025		3.8	
FHLB	3130ANJV3	CD	MBS	350,000.00		350,000.00		0.750%	9/9/2021	12/26/2025		4.3	
FHLB	3130ALZM9	CD	MBS	500,000.00		500,000.00		1.030%	4/29/2021	4/29/2026		5.0	
FFCB	3133ENWF3	CD	MBS	500,000.00		500,000.00		3.550%	5/11/2022	5/11/2026		4.0	
FHLB	3130AMU75	CD	MBS	1,000,000.00		1,000,000.00		0.900%	6/30/2021	6/26/2026		4.11	
FHLB	3130ANE30	CD	MBS	500,000.00		500,000.00		0.500%	7/29/2021	7/29/2026		5.0	
FHLB	3130ANRT9	CD	MBS	500,000.00		500,000.00		0.550%	9/14/2021	8/25/2026		4.11	
FFCB	3133EM3Y6	CD	MBS	500,000.00		500,000.00		0.930%	9/2/2021	9/1/2026		4.11	
FHLB	3130AQJM6	CD	MBS	245,000.00		245,000.00		1.700%	1/28/2022	1/28/2027		5.0	
FHLB	3130ARAH4	CD	MBS	500,000.00		500,000.00		2.350%	3/29/2022	3/29/2027		5.0	
FFCB	3133ENYA2	CD	MBS	500,000.00		500,000.00		3.450%	6/6/2022	6/1/2027		4.11	
		Subtotal		9,190,000.00	-	9,190,000.00							
New York Cmnty Bk	649447TY5	CD	MBS	245,000.00		245,000.00		0.350%	7/1/2020	7/5/2022		2.0	
TIAA FSB Jacksonville	87270lck7	CD	MBS	245,000.00		245,000.00		2.100%	7/10/2019	7/12/2022		3.0	
1st Nat'l Bank	1053358A4	CD	FHN	250,000.00		249,744.40		2.350%	7/19/2019	7/18/2022		2.11	451.08
American Nat'l Bank	02772JBC3	CD	MBS	245,000.00		245,000.00		2.000%	7/19/2019	7/19/2022		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	
CIT BK Natl Assn	12556LBB1	CD	MBS	245,000.00		245,000.00		1.950%	8/23/2019	8/23/2022		3.0	
Financial Federal Bank	1053769A7	CD	FHN	250,000.00		249,851.77		0.025%	9/24/2020	9/26/2022		2.0	51.11
1st Natl bk Amer East	32110YNF8	CD	MBS	245,000.00		245,000.00		1.600%	10/31/2019	10/31/2022		3.0	
Connectone BK	20786ADC6	CD	MBS	245,000.00		245,000.00		0.700%	5/8/2020	11/5/2022		2.5	
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	
My Safra Bank	55406JBL5	CD	MBS	245,000.00		245,000.00		0.250%	11/27/2020	5/26/2023		2.5	
UBS BK USA	90348JCR9	CD	MBS	245,000.00	-	245,000.00		3.150%	5/30/2018	5/30/2023		5.0	
Simmesport State Bank	1053708A1	CD	FHN	244,145.85		248,169.91		0.800%	6/4/2020	6/8/2023		3.0	160.53
Encore Bank	29260MBX2	CD	MBS	245,000.00		245,000.00		3.500%	7/10/2020	7/10/2023		3.0	
Bankwell Bk	00654BCL3	CD	MBS	245,000.00		245,000.00		0.400%	7/28/2020	7/28/2023		3.0	
Central Bank Oklahoma	1053751A7	CD	FHN	250,000.00		249,022.58		0.350%	8/18/2020	8/17/2023		2.11	71.17
Bank of Hapoalim	06251A2C3	CD	MBS	245,000.00		245,000.00		0.300%	8/21/2020	8/21/2023		3.0	
Capital One Natl	14042RNU1	CD	MBS	245,000.00		245,000.00		1.850%	9/13/2019	9/5/2023		3.11	
Morgan Stanley	6169OUKJ8	CD	MBS	245,000.00	-	245,000.00		1.850%	9/13/2019	9/5/2023		3.11	
Neighbors FCU	64017AAW4	CD	MBS	245,000.00		245,000.00		0.400%	9/29/2021	9/29/2023		2.0	
Webbank Salt Lake	947547NK7	CD	MBS	245,000.00		245,000.00		0.350%	10/29/2021	10/30/2023		2.0	
Allegiance Bank	1053787A5	CD	FHN	250,000.00		249,162.10		0.250%	11/5/2020	11/6/2023		3.0	50.99
Northpointe Bk	666613HR8	CD	MBS	245,000.00		245,000.00		0.250%	11/13/2020	11/13/2023		3.0	
Israel Disc Bk	465076SR9	CD	MBS	245,000.00		245,000.00		0.500%	11/5/2021	11/5/2026		5.0	
Texas Exchange Bank	88241TJW1	CD	MBS	120,000.00		120,000.00		0.300%	1/19/2021	1/8/2024		2.11	
Morgan Stanley	61768U2E6	CD	MBS	235,000.00		230,000.00		0.300%	7/30/2020	1/27/2024		3.5	
Synovus BK	87164DSF8	CD	MBS	245,000.00		245,000.00		0.300%	3/11/2021	3/11/2024		3.0	
BMW Bk North Ameri	05580AZD9	CD	MBS	245,000.00		245,000.00		0.450%	3/26/2021	3/26/2024		3.0	
Leader Bank Natl	52168UHR6	CD	MBS	245,000.00		245,000.00		0.350%	4/19/2021	4/16/2024		2.11	
Celtic Bk	15118RUV7	CD	MBS	245,000.00	-	245,000.00		1.400%	4/17/2020	4/17/2024		4.0	
Department of Comm Fed	24951TAU9	CD	MBS	245,000.00		245,000.00		3.500%	6/29/2022	7/1/2024		2.0	
Pentagon Fed Cr Un	70962LAJ1	CD	MBS	245,000.00		245,000.00		0.500%	9/1/2021	9/3/2024		3.0	
Bank Ozk	06417NYJ6	CD	MBS	245,000.00		245,000.00		0.350%	4/8/2021	10/8/2024		3.6	
Industrial & Coml Bk	45581ECT6	CD	MBS	245,000.00		245,000.00		0.600%	10/18/2021	10/18/2024		3.0	
USAlliance FCU	90352RBY0	CD	MBS	245,000.00		245,000.00		0.700%	10/29/2021	10/24/2024		2.11	
TCM Bank	872308FG1	CD	MBS	245,000.00		245,000.00		0.700%	11/15/2021	11/15/2024		3.0	
Lea Conty St Bk	523744AW0	CD	MBS	245,000.00		245,000.00		0.750%	12/10/2021	12/10/2024		3.0	

Investment	CUSIP Tracking #	Instrument	Holder	Quantity	Premium / Discount	Principal	Market Value	YTM	Purchase Date	Maturity Date	Call Date	Years	FTN Int Earned
USF Fed Cr Un	90353EAW3	CD	MBS	245,000.00		245,000.00		0.850%	12/21/2021	12/20/2024		2.11	
1st National Bk	32117BEN4	CD	MBS	245,000.00		245,000.00		0.950%	12/30/2021	12/30/2024		3.0	
Beal Bank	07371AVZ3	CD	MBS	245,000.00		245,000.00		1.150%	2/2/2022	1/29/2025		2.11	
Beal Bank	07371CZK8	CD	MBS	245,000.00		245,000.00		1.500%	2/2/2022	1/29/2025		2.11	
Lafayette Fed Cr Un	50625LAT0	CD	MBS	245,000.00		245,000.00		0.350%	2/12/2021	2/12/2025		4.0	
Amerant Bank	02357QAR8	CD	MBS	245,000.00		245,000.00		1.650%	2/28/2022	2/28/2025		3.0	
American Express Natl Bk	02589ABM3	CD	MBS	245,000.00		245,000.00		1.800%	3/7/2022	3/3/2025		2.11	
Safra Natl Bk	78658RHM6	CD	MBS	245,000.00		245,000.00		2.000%	3/23/2022	3/24/2025		3.0	
LCA Bank	066519QT9	CD	MBS	245,000.00		245,000.00		0.700%	11/29/2021	5/29/2025		3.6	
Discover Bk	254673F68	CD	MBS	245,000.00		245,000.00		3.100%	6/1/2022	6/2/2025		3.0	
Ally Bk	02007GRY1	CD	MBS	245,000.00		245,000.00		3.050%	6/2/2022	6/2/2025		3.0	
Axiom Bk	05464LBS9	CD	MBS	245,000.00		245,000.00		0.750%	12/14/2021	6/13/2025		3.5	
Luana Svgs Bank	549104WP8	CD	MBS	245,000.00		245,000.00		0.350%	2/19/2021	8/19/2025		4.6	
Barclays Bk	06740KNT0	CD	MBS	245,000.00		245,000.00		1.000%	12/15/2021	12/15/2025		4.0	
Connexus Cr Un	20825WAQ3	CD	MBS	245,000.00		245,000.00		1.050%	12/23/2021	12/23/2025		4.0	
JPMorgan Chase Bk	48128UXU8	CD	MBS	245,000.00	-	245,000.00		0.500%	1/22/2021	1/22/2026		5.0	
BMO Harris BK	05600XBY5	CD	MBS	245,000.00		245,000.00		0.550%	2/18/2021	2/18/2026		5.0	
State Bank India Chicago	856283S49	CD	MBS	245,000.00	-	245,000.00		0.650%	2/25/2021	2/25/2026		5.0	
Live Oak Bkg Co	538036NY6	CD	MBS	245,000.00	-	245,000.00		0.750%	3/16/2021	3/16/2026		5.0	
City of Boston Cr Un	178581AD6	CD	MBS	245,000.00		245,000.00		0.450%	3/30/2021	3/30/2026		5.0	
Bankunited Natl	066519QT9	CD	MBS	245,000.00	-	245,000.00		0.950%	3/31/2021	3/31/2026		5.0	
Eaglemark Svgs Bank	27004PBD4	CD	MBS	245,000.00		245,000.00		0.700%	4/7/2021	4/7/2026		5.0	
Sunwest Bk	86804DCW6	CD	MBS	245,000.00		245,000.00		0.700%	4/30/2021	4/30/2026		5.0	
Denver Savgs Bk	249398BY3	CD	MBS	245,000.00		245,000.00		0.700%	5/5/2021	5/5/2026		5.0	
Greenstate Cr UN	39573LBL1	CD	MBS	245,000.00		245,000.00		0.900%	6/16/2021	6/16/2026		5.0	
Medallion Bank	58404DKV2	CD	MBS	245,000.00		245,000.00		0.800%	6/30/2021	6/30/2026		5.0	
Toyota Finl Svgs Bk	89235MLC3	CD	MBS	245,000.00		245,000.00		0.950%	7/12/2021	7/15/2026		5.0	
Texas Exchange Bank	88241TLX6	CD	MBS	129,000.00		129,000.00		1.050%	10/8/2021	10/8/2026		5.0	
Synchrony Bank	87164YE34	CD	MBS	245,000.00		245,000.00		1.000%	10/22/2021	10/22/2026		5.0	
Institution For Svgs	45780PAZ8	CD	MBS	245,000.00		245,000.00		1.000%	10/28/2021	10/28/2026		5.0	
Merrick Bk South	59013KNY8	CD	MBS	245,000.00		245,000.00		0.900%	10/29/2021	10/29/2026		5.0	
Jonesboro St Bk	48040PKT1	CD	MBS	245,000.00		245,000.00		0.750%	11/5/2021	11/5/2026		5.0	
Capital One Bk	14042TDW4	CD	MBS	245,000.00		245,000.00		1.100%	11/17/2021	11/17/2026		5.0	
Community Bk	203485AC1	CD	MBS	245,000.00		245,000.00		1.150%	12/22/2021	12/22/2026		5.0	
Metro Cr Un	59161YAP1	CD	MBS	245,000.00		245,000.00		1.700%	2/18/2022	2/18/2027		5.0	
		Subtotal		17,653,145.85	-	17,649,950.76							
Total Capital Improvement Fund						-							

ESCROW FUND

Investment	CUSIP Tracking #	Instrument	Holder	Quantity	Premium / Discount	Principal	Market Value	YTM	Purchase Date	Maturity Date	Call Date	Years
Congressional Bk	20726ACE6	CD	MBS	245,000.00		245,000.00		0.20%	9/10/2020	9/19/2022		2.0
Independence Bank	45340KFL8	CD	MBS	245,000.00		245,000.00		0.40%	6/8/2020	6/16/2023		3.0
Total Escrow Fund				**490,000.00**	**-**	**490,000.00**						

TOTAL INVESTMENTS FOR ALL FUNDS **27,329,950.76**

Total Investments by Holder	**FHN**	1,245,950.76
	MBS	26,084,000.00
	MOSIP	-
	TOTAL INVESTMENTS	**27,329,950.76**
	MBS UNVEST CASH	
		27,329,950.76

MEMORANDUM

DATE: August 3, 2022

TO: Mark Perkins, City Administrator

FROM: Lori Obermoeller, Director of Finance

SUBJECT: 2017 GO Bond Issue – Pre-Payment

When we issued the 2017 General Obligation Bonds for the Police Station, the rate was set at $.082 per $100 of Assessed Valuation. The 20-year bond issue is scheduled to be retired in 2037. Every year, I have to do a calculation to determine if we can keep this rate the same or if we have to reduce the rate because we have exceeded the maximum fund balance allowed. Last year, we reached that maximum fund balance, so we reduced the rate from $.082 to $.068.

I have learned through Martin Ghafoori from Stifel that we have the option of returning the rate to $.082 for the purpose of pre-paying the bonds. The additional funds generated by the higher rate will be placed in escrow until the first 'call' date in 2025, upon which time the pre-payment can be made. This process is called a bond 'defeasance.'

There are two main benefits of doing a defeasance. First, it allows the City to pay off the bonds faster; second, it allows the City the option of issuing bonds again before the 20-year maturity at the same rate subject to voter approval. A lot of school districts and fire districts, as well as some cities, do this on a regular basis.

The drawbacks of bond pre-payment is that a slightly higher tax rate is required, as well as the associated legal and professional service fees estimated at $10,000 to $15,000. The City may need to complete a defeasance twice before the 2025 call date.

However, after the call date, the City will no longer have to go through the legality of completing a defeasance, but can pre-pay the debt at any time. If the City is considering additional debt before the end of the current 20-year bond issue and would like to do it without a tax rate increase, this is a good way to make that happen.

The process for a defeasance could take between 6 and 12 weeks. However, as long as it is done before December 31, 2022, we will not have any issues setting the Debt Levy at $.082 by the October 1, 2022 deadline.

I will be publishing the August 22nd Public Hearing notice with the $.082 Debt Levy, instead of reducing it from the current $.068. This will give the Finance Committee time to review the defeasance option at their August 31st meeting, and it will give City Council time to consider it as well, before the 2nd reading of the Tax Rate Ordinance on September 26th. A debt levy of $.082 will result in a $10 per year increase on a $400,000 home, compared to a debt levy of $.068.

I will be happy to answer any questions.

MEMORANDUM

DATE: August 15, 2022

TO: Mark Perkins, City Administrator

FROM: Lori Obermoeller, Director of Finance

SUBJECT: 2022 Property Tax Rate

Attached is legislation setting the 2022 property tax rates for the City of Creve Coeur. The proposed property tax rates for 2022 as compared to the current rates are as follows:

	2021 Tax Rate	Proposed 2022 Tax Rate	2021 Debt Service Levy	Proposed 2022 Debt Service Levy
Residential	.073	.073	.068	.082
Commercial	.080	.082	.068	.082
Agricultural	.024	.024	.068	.082
Personal	.000	.000	.068	.082

Personal property tax only applies to the Debt Service Levy dedicated to retiring the 2017 GO Bonds, as required under state statute. Personal property tax does not apply to the City's General Tax Levy. The City of Creve Coeur is the only taxing entity among all of the taxing entities serving Creve Coeur that does not levy a tax on personal property.

The 2022 proposed tax rates are at the tax rate ceiling, any increase to the rate would require voter approval under the Hancock Amendment.

The assessed valuation for residential, agriculture and commercial properties has decreased $10,969,440 despite an increase of $2,963,900 from new construction. The .002 increase in the commercial tax rate is a result of the commercial assessed valuation decreasing more than the 7% CPI increase (however, only an increase maximum of 5% is allowed by the State Tax Commission). The current assessment numbers for 2021 and 2022 are:

	2021 (post-BOE)	2022 (pre-BOE)
Residential	641,925,450	640,579,570
Commercial	392,704,032	383,080,472
Agriculture	8,350	8,350

Below is the Revenue projected for the General Fund and the Debt Service Fund for 2021 and 2022:

	2021 Rate	2021 Gen. Fund Revenue	2021 Debt Revenue	2022 Rate	2022 Gen. Fund Revenue	2022 Debt Revenue
Residential	.1410	468,606	436,509	.1550	467,623	525,275
Commercial	.1480	314,163	267,039	.1640	314,126	314,126
Agricultural	.0920	2	6	.1060	2	7
Personal Prop.	.0680	0	113,001	.0820	0	138,760
		782,771*	816,555*		781,751*	978,168*

*Prior to Uncollectibles

The proposed tax rates are based upon figures before the Board of Equalization (BOE) adjustments. It could be necessary to adjust the tax rates at the final meeting in September based upon the post-BOE assessment figures. Also, please note that assessed value, which property taxes are based upon, is 19% of estimated market value for residential and 32% of estimated market value for commercial real estate, and 33% for personal property.

Based upon the proposed tax rate for residential property and the debt service levy, a person with a house valued at $400,000 and personal property valued of $30,000 would pay the City of Creve Coeur $125.92 in property taxes for 2022, $55.48 of which will go the General Fund and $70.44 to the Debt Service Fund. This $125.92 represents 2.1% of the property owner's total property tax bill. Since this is a non-reassessment year, the assessed valuation normally does not change; however, the Debt Service Levy is proposed to increase from $0.068 to $0.082 per $100 of assessed valuation for the purpose of pre-paying debt service through a process called "defeasance," which is explained in the attached memo from August 3, 2022.

The Debt Service Levy was established to retire General Obligation (GO) Bonds in the amount of $10,635,000, Series 2017, which was established for the purpose of constructing, furnishing and equipping a new police station and making safety, security and accessibility renovations to the Government Center.

The new police station was completed in 2019. Approximately $1.1M of the 2017 GO Bond has not been spent and is available to be used for safety, security and accessibility renovations to the Government Center. Given the uncertainty of the scope and timing of a future project to either renovate or replace the Government Center, it may be prudent to use these funds to pre-pay the existing GO Bond debt.

Paying down the debt avoids paying any possible negative arbitrage, and also could provide an opportunity to payoff the debt sooner. Given the uncertainty regarding how and when these funds would be spent, pre-payment of the GO debt may be the most advantageous and efficient use of the funds at this time.

Staff recommends approval of the proposed legislation setting the 2022 tax rates for the City of Creve Coeur and moving forward with the defeasance. Another option to consider down the road is how to use the remaining $1.1M bond proceeds. They must be used for safety, security and accessibility for the Government Center, but if not spent by March 2025, the City Council may want to use to pay down the debt. I would be pleased to respond to any questions.