

FROM: Denise Keller, Finance Officer  
DATE: November 18, 2015  
TO: Mayor Pogue, Board of Aldermen  
RE: 2016 Budget

The proposed 2016 budget for the City of Ballwin for all funds reflects revenues of \$21,042,934, expenses of \$20,606,658, and transfers out/escrows of \$1,323,348. All funds other than TIF and TDD will use fund balance to supplement revenues.

The preliminary Operating budget was to use fund balance of \$768,474 to achieve balance. Changes that have been made are as follows:

#### Expenses

- Skylight repairs at the Pointe and North Pointe, deferred from 2015 \$ 293,500
- Increase cost for purchase of used bucket truck 18,000
- Change acquisition of Inspections vehicle from lease to purchase 12,000
- Increase estimate for water utilities at the golf course 11,000
- Delay purchase of swap loader in Public Works (net of resale value) ( 144,792)
- Reduce contingency amounts ( 53,000)
- Reduce overtime pay in Public Works budget ( 32,500)
- Eliminate administrative vehicle ( 23,500)
- Delay replacement of police surveillance van ( 21,950)
- Remove tree stumps using staff rather than contracted labor ( 20,000)
- Personnel expense adjustments, all departments ( 11,142)
- Delay electric rate increase on streetlight expenses ( 6,000)
- Change copier replacement from purchase to lease ( 5,500)
- Reduce Ballwin Days entertainment expense ( 5,500)

#### Revenues

- Increase TIF sales tax revenue \$ 80,000

With these changes the operating budget will require \$699,090 of fund balance to achieve balance. The City budgets very conservatively, and while the past is not a guarantee of future performance the City historically has received more in revenues than it has spent. In most years this surplus has been greater than \$500,000. Administration is optimistic that actual financial results for 2016 will be more favorable than the budget projections.

The anticipated surplus for 2015 has increased to \$994,090. Half of this, \$497,045, will be committed under ordinance for improvements to the Government Center.

Unassigned fund balance is anticipated to be \$6,965,966 at the end of 2015 and \$6,281,838 at the end of 2016. These amounts represent 38.0% and 32.6% respectively of operating expenses. The City's policy requires this percentage be a minimum of 25%.

The Capital budget is unchanged from what was last presented to the Board. Expenses are budgeted to exceed revenues by \$219,116. Recreation escrows and fund balance will be used to achieve balance. Fund balance at the end of 2016 is anticipated to be \$24,829.

TIF revenues are conservatively budgeted to decrease by \$8,000 from the current year estimate due to expected tenant turnover in Old Towne Plaza. The budgeted TDD revenues in turn is a decrease from the current year estimate of \$4,000.

Sewer Lateral fund budgeted revenues are unchanged. Expenses are budgeted lower than the current year estimate and 2014 actual, but still slightly higher than revenues. Fund balance of \$7,516 will be used.

No significant expenditures are budgeted using either Federal Asset Seizure funds or P.O.S.T. funds.