

# Stakeholder's Meeting

Welcome Mayor Margot Martin

# Sales Tax Revenue

## (52% of Total City Revenue)

	14-15	15-16	16-17
General & Cap Imp Fund	Actual	Actual	Actual
One Cent Tax	1,482,350	1,503,758	1,416,067
Quarter Cent Tax	453,538	469,994	449,707
Quarter Cent Fire Tax	529,365	548,573	524,899
Cap Imp Tax	899,922	932,573	892,319
<b>Total</b>	<b>\$ 3,365,175</b>	<b>\$ 3,454,898</b>	<b>\$ 3,282,992</b>
<b>Variance</b>		<b>2.67%</b>	<b>-4.98%</b>

For Reference:	Actual	Budget
	16-17	17-18
One Cent Tax	1,416,067	1,394,292
Quarter Cent Tax	449,707	439,983
Quarter Cent Fire Tax	524,899	513,551
Cap Imp Tax	892,319	873,027
	<b>\$ 3,282,992</b>	<b>\$ 3,220,853</b>
		<b>-1.89%</b>

# Property Tax Revenue (18% of Total City Revenue)

NOTICE OF PUBLIC HEARING  
2017 TAX RATE

New revenue to the City capped at  
LOWER of CPI, growth or 5%  
2017

- ❖ Residential Growth of 7.8%
- ❖ Commercial Growth of 21.6%

Tax rates rolled back to limit revenue to  
CPI of 2.1%

Final Assessed Values Released September 11, 2017

The tax rates shall be set to produce revenues, which the budget for the fiscal year beginning July 1, 2017 shows to be required from the property tax subject to legal restrictions imposed under the Hancock Amendment to the Missouri Constitution.

<u>Valuations:</u>	<u>Includes New Constr.</u> <u>2016*</u>	<u>Includes New Constr.</u> <u>2017*</u>
Residential Real Estate	\$ 182,125,420	\$ 196,451,130
Commercial Real Estate	42,152,430	51,275,090
Personal Property	20,275,590	20,008,280
<u>Real Estate/Property Tax Rates:</u>	<u>2016*</u>	<u>2017*</u>
Residential Real Estate	0.497	0.481
Commercial Real Estate	0.532	0.452
Personal Property	0.553	0.553
<u>Estimated Revenues:</u>	<u>2016*</u>	<u>2017*</u>
Residential Real Estate	905,163	944,930
Commercial Real Estate	224,251	231,763
Personal Property	112,124	110,646
	1,241,538	1,287,339
<u>Increase in Estimated Revenues due to New Construction:</u>		\$ 20,018

\*Post-BOE rates

# Expense Control

- Personnel Expenses more than 85% of GF budget
- Police/Fire EMS 85% of personnel expense
- Capital Expenses deferred/shared

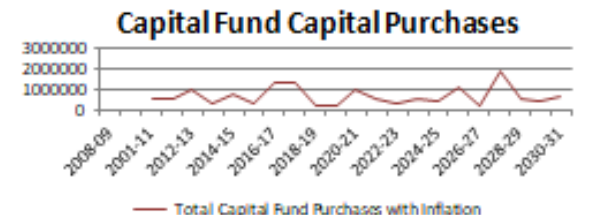
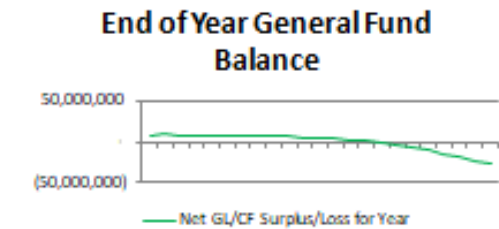
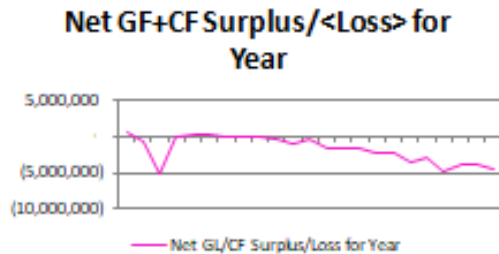
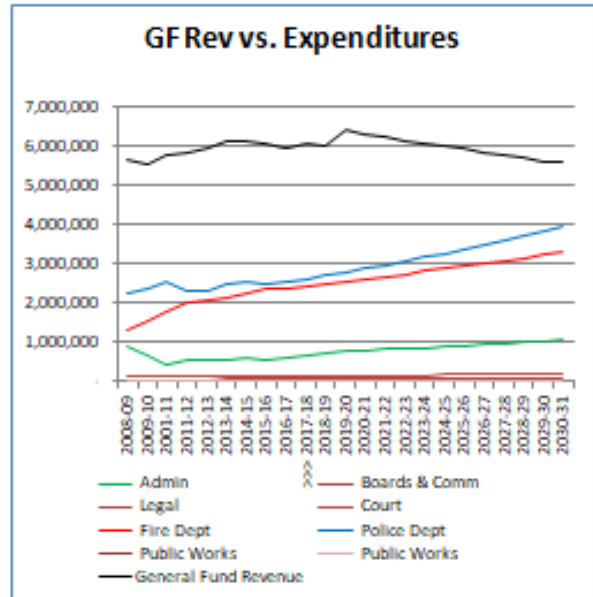
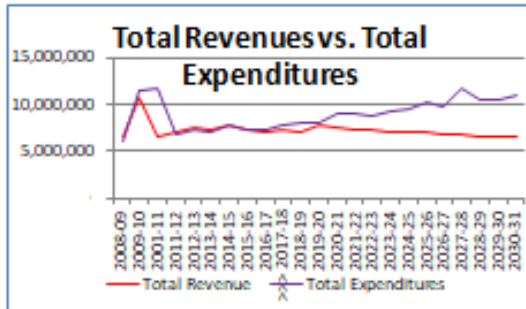
# Financial Projections – Expense Assumptions

- All expense categories projected based on historical & other trends
  - Non-personnel expenses generally grow @ 2%/year
  - Salaries and other personnel expenses, (health, dental, pension) grow at 2% to 5%/year
  - Capital expenditures scheduled based on useful lives

# Financial Projections – Revenue Assumptions

- All income categories projected based on historical & other trends
  - Real estate taxes increase 1%/year
  - Business licenses & most other miscellaneous income categories increase 2%/year
  - Sales taxes decrease 4%/year (base case)
- DESCO (Shriners') site income included effective 2019-20
- LECC site presumed developed as all residential effective 2021-22

# Financial Projections

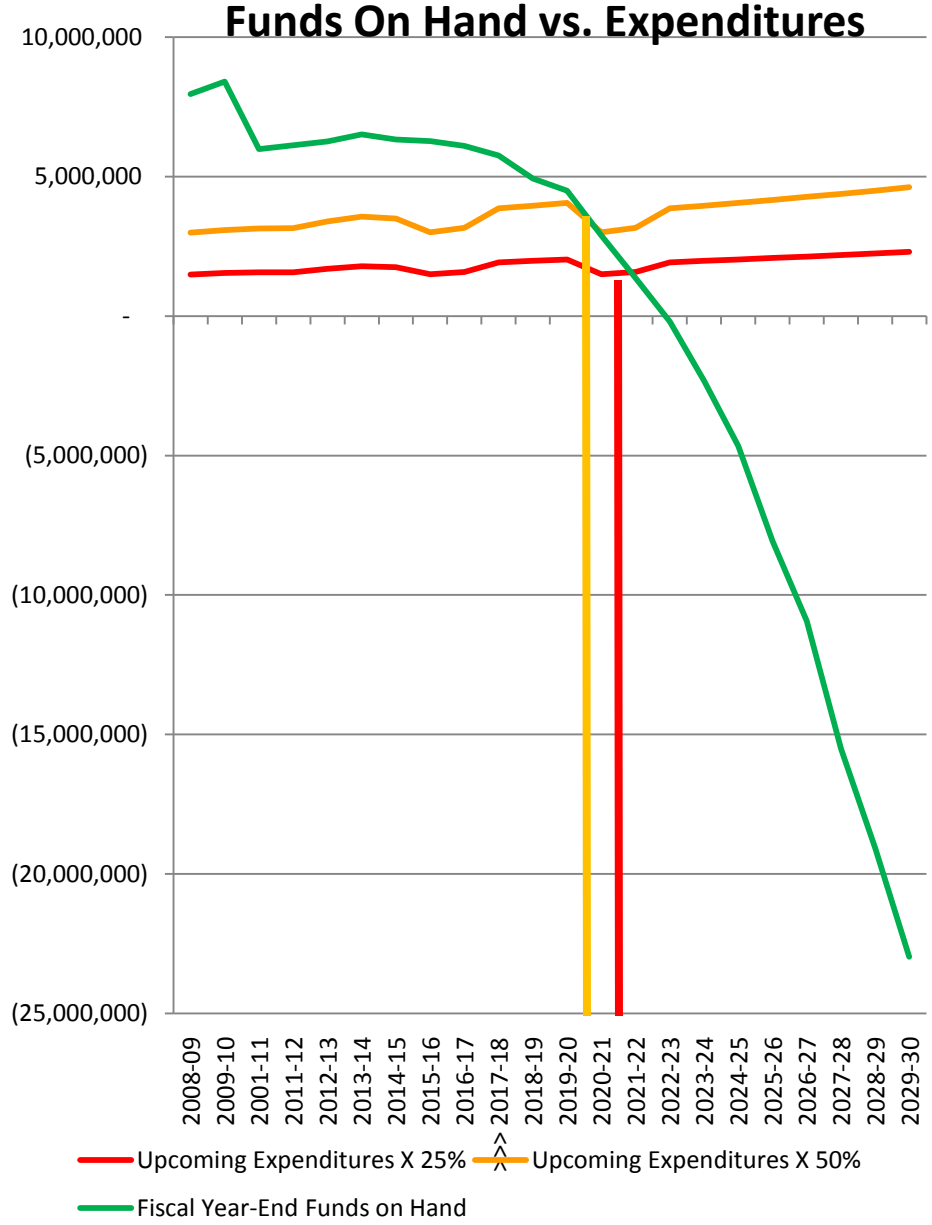


**“Base Case”**

- **DESCO (Shriners’) & LECC (real estate)**
- **Sales Tax Revenue shrinks 4%/year**
- **Orange Line\*** hit approx. FY 2020-21
- **Red Line\*\*** hit approx. FY 2021-22

**\*“Orange Line”** reflects a minimum reserve equal to 2 years’ debt service plus 50% of coming year’s expenditures, excluding capital purchases

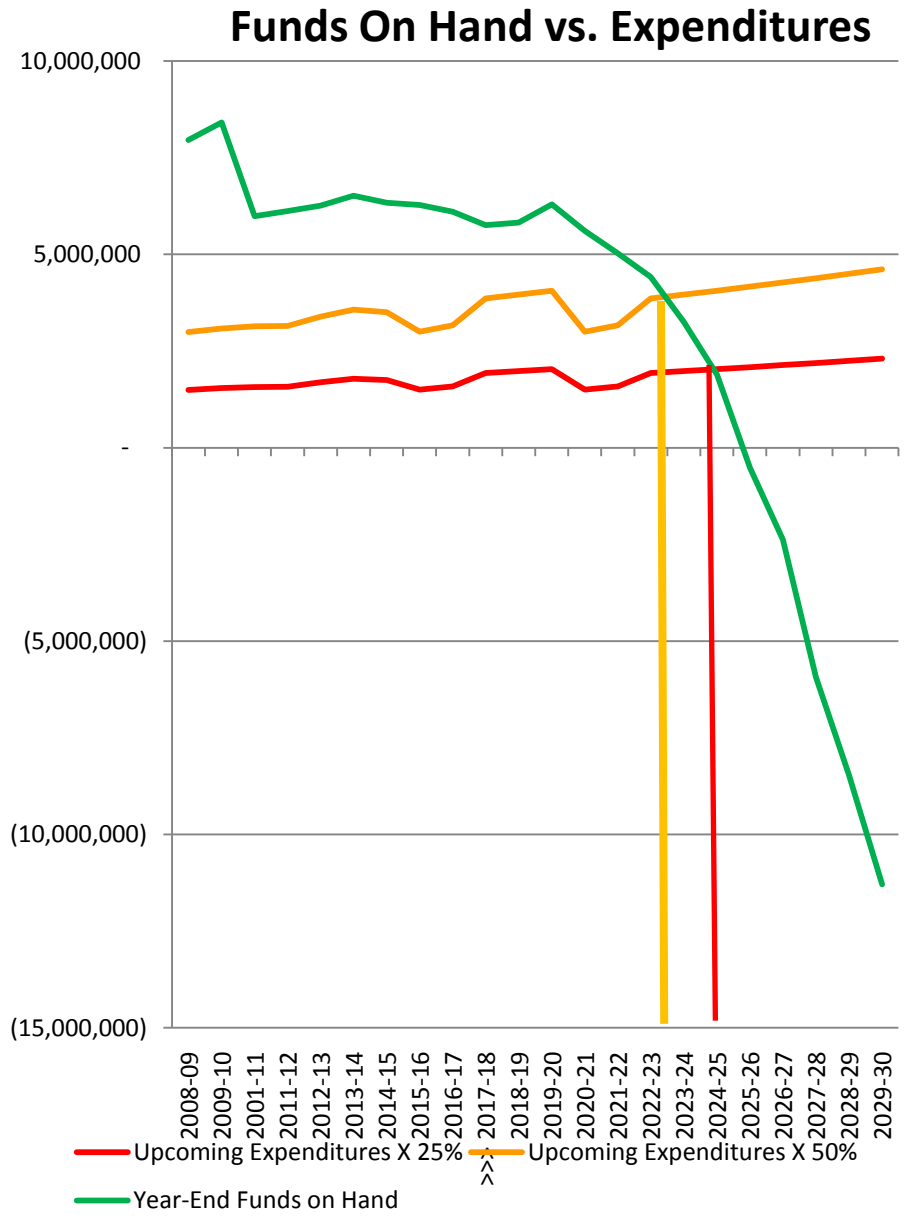
**\*\*“Red Line”** reflects the same calculation but set at 25% of coming years’ expenditures





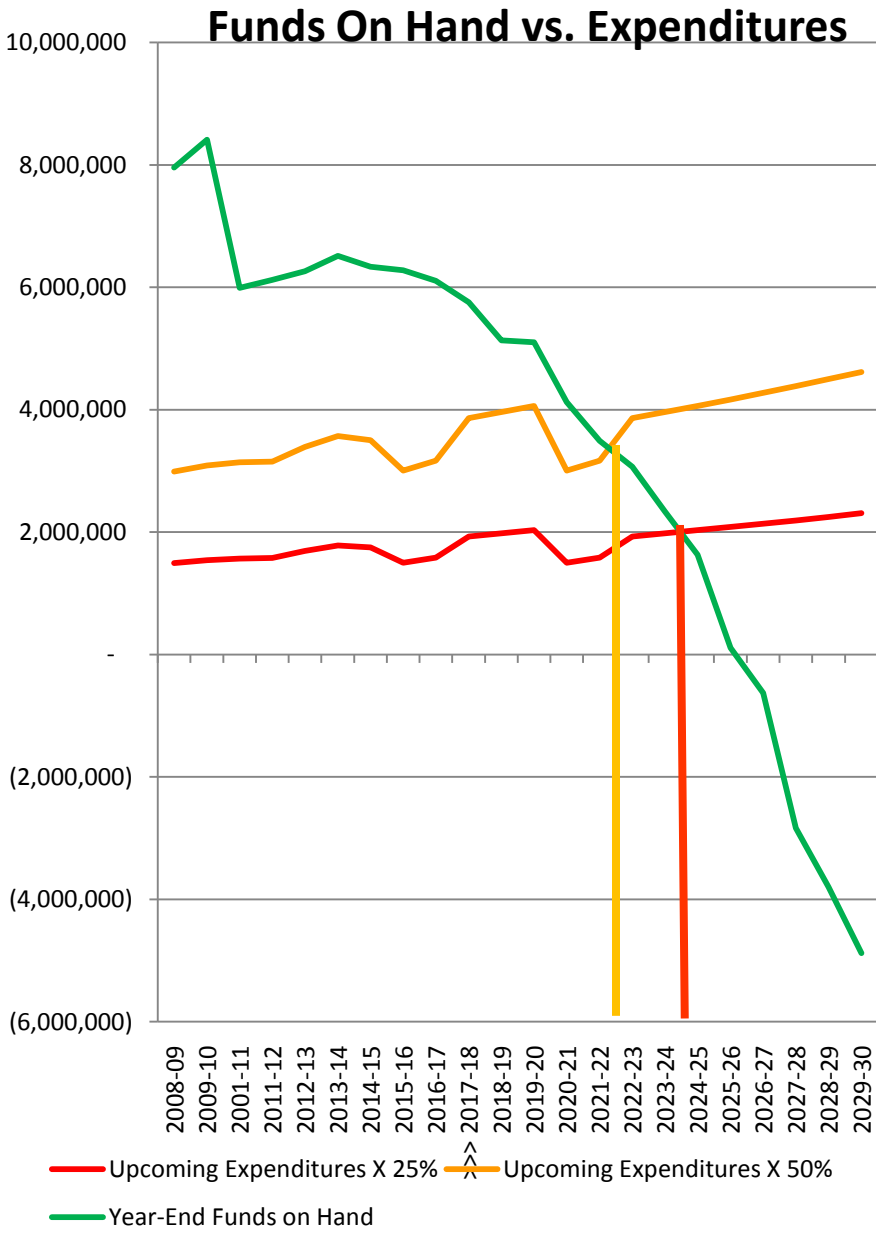
**“Scenario I” (Same as Base Case except...)**

- **Real Estate Tax INCREASE beginning in FY 2018-19**
- **Orange Line** hit approx. FY 2023-24
- **Red Line** hit approx. FY 2024-25



**“Scenario II” (Same as Base Case except...)**

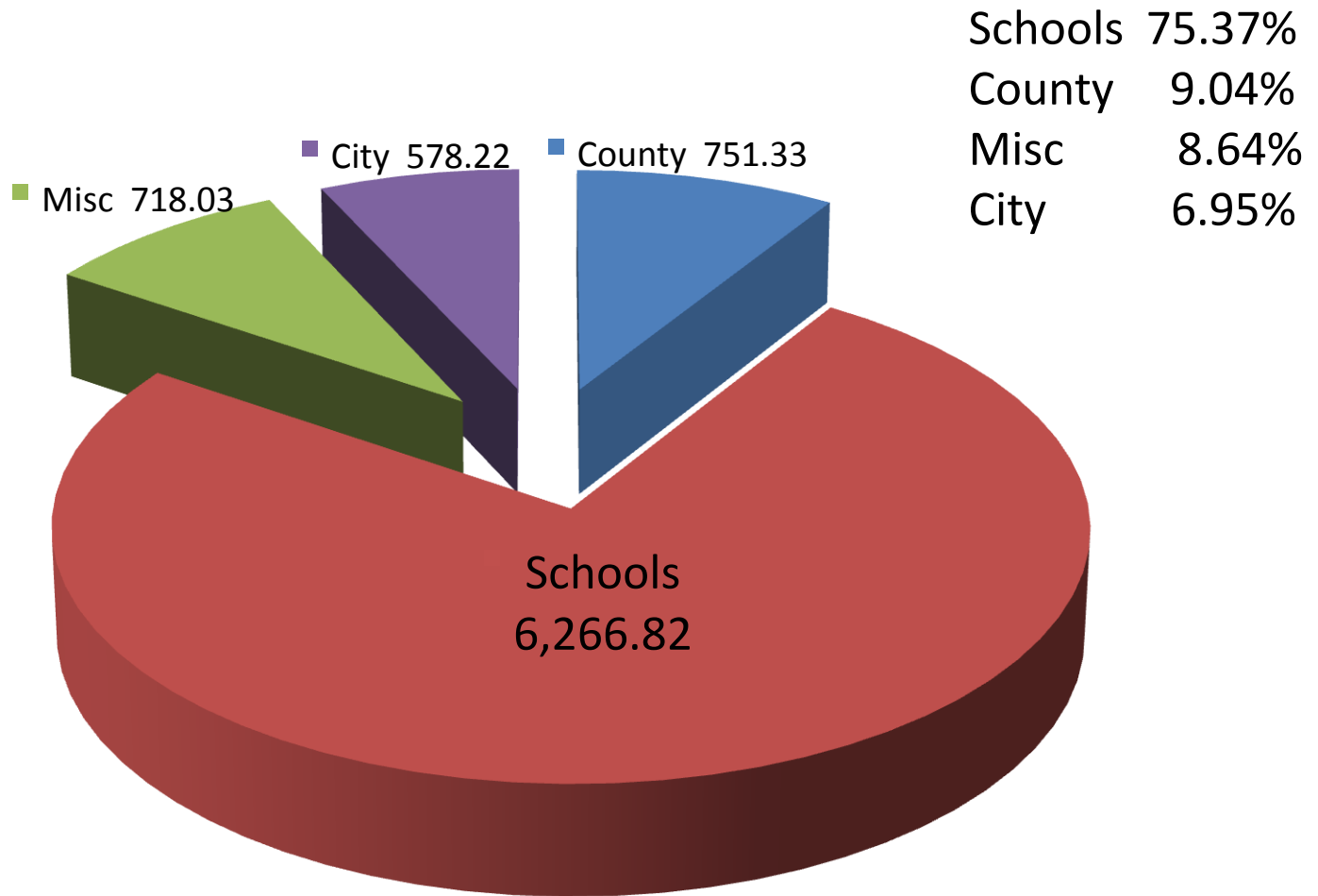
- **ZERO Real Estate Tax increase.**
- **Sales Tax Revenue INCREASES 2%/year beginning in FY 2019-20.**
- **Orange Line hit approx. FY 2022-23**
- **Red Line hit approx. FY 2024-25**



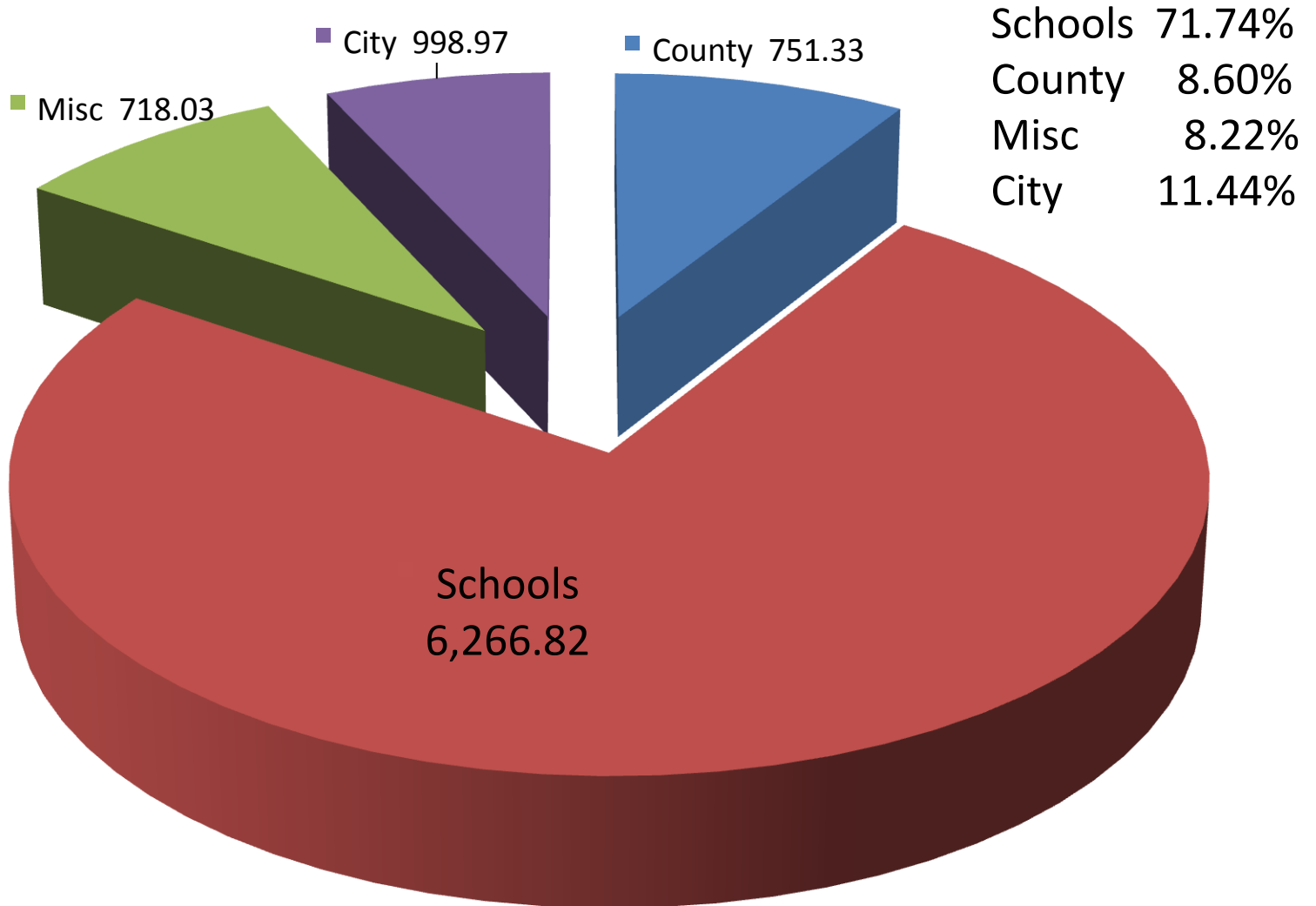
# Next Steps

- Rate was increased by voters in 1992 to 62 cents per \$100 assess valuation
- Current Frontenac portion of property tax rates is 48 cents per \$100 assessed valuation
- Projections of 35 cent increase to 83 cents per \$100 assessed valuation maintains our financial position for five or six years
- Median appraised value of \$632,700 would be an annual increase of \$420.75

# Where does your property tax go???



# Where will your property tax go???



# Property Tax Comparisons

<u>City</u>	<u>City Tax Rate</u>	<u>Total Tax Rate</u>	<u>Tax Increase</u>	<u>New Rate</u>	<u>Total Tax Rate</u>
Frontenac (Ladue School)	0.4810	6.9164	0.3500	0.8310	7.2664
Frontenac (Kirkwood School)	0.4810	7.4816	0.3500	0.8310	7.8316
Ladue	0.6710	7.1064			
Kirkwood	0.5920	7.4460			
Brentwood	0.6430	7.4586			
Clayton	0.8250	7.0991			
Creve Coeur	0.1450	7.7064			
Webster Groves	0.7950	8.7700			
Olivette	1.2410	7.6764			
Average	0.6741	7.5179			
Average <b>without</b> Frontenac	0.7017	7.6090			

Questions/Comments/Suggestions?