

2022 Budget in Brief



Maryland Heights, Missouri

The complete 2022 Budget is available at:
www.marylandheights.com/2022Budget



General Information

The “Budget in Brief” is designed to give the public a concise overview of the City’s financial status and plans for the coming year.

Total 2022 budgeted revenues for all governmental funds is \$41.3 million, an increase of \$6.9 million (20%) from the estimate for 2021 of which \$4.9 million (71%) relates to significant one-time revenue sources. The budget plan includes use of \$3.3 million of federal assistance related to the American Rescue Plan Act. Please see the introductory section, “American Rescue Plan” on page 16 for additional details. An additional \$1.6 million is related to funding from grants and donations for a city project. Excluding those two one-time revenue sources, 2022 revenues would increase \$2 million (5.8%) from 2021.

Much of the City’s tax revenues depend on activity in office buildings, hotels, restaurants, youth and adult sports, concert venues and the casino. With the pandemic still lingering, uncertainty exists surrounding return to work, leisure, and travel. The 2022 revenue anticipates a moderate increase from 2021 to pre-pandemic (2019) levels. The City has purposely accumulated a healthy fund balance during good economic times. These reserves allow the City to continue a high level of service with minimal disruption during economic downturns.

Gaming taxes are projected to be up \$1 million from 2021 to \$9 million in 2022. This projection is 90% of levels seen pre-COVID-19 (2019). Utility taxes and sales taxes are projected at 92% of the 2019 actual received as the economy slowly recovers. Recreation user fees are budgeted at \$1.8 million in 2022, up from \$1.4 million in 2021, as demand for recreation programs and attendance at the City’s newly renovated water park, Aquaport, are expected to generate additional fees.

Intergovernmental revenues will be up significantly due to the federal assistance received from the American Rescue Plan Act of \$3.3 million. Additional major one-time revenue sources include a federal grant of \$630 thousand to offset construction costs related to rehabilitation of Fee Fee Road, and grants and donations of \$1.62 million to complete the construction of the Sustainability Center.

Total expenditures in 2022 of \$42.1 million, reflects an increase of \$2.9 million (7.5%) from 2021 of which \$1.8 million relates to operational expenditures returning to a pre-COVID-19 level. Capital Improvement expenditures are \$1.3 million higher.

General Fund 2022 expenditures are up \$1 million (4.4%) compared to 2021. Personnel costs represent \$456 thousand of the increase which reflects a 2% market adjustment in the full-time employee pay plan. Other operational expenditures will increase \$608 thousand from 2021 of which \$214 thousand (35%) is related to road and bridge maintenance. Capital outlay expenditures will increase 63% (\$73 thousand) from 2021.

Capital Improvement Fund expenditures are expected to increase \$560 thousand (13.2%) related to various road, equipment, and stormwater projects. Park Fund expenditures are projected to be \$1.6 million (30.8%) higher in 2022 than 2021. \$818 thousand of the increase relates to higher operational costs from higher demand for recreation and facility use in 2022. Another \$825 thousand relates to higher capital improvement expenditures than 2021. Construction expenditures related to the City’s Sustainability Center is projected at \$1.62 million in 2022.

At the end of 2022, the City’s Reserve Fund will be over \$25 million, equal to 100% of 2022 General Fund expenditures; the City’s goal is to maintain a level of 75%. The Capital Improvement Fund will decrease \$1.5 million as planned project expenditures are expected to exceed gaming tax and grant funding. All budgetary funds will total \$31.5 million at the end of the year of which \$1.7 million is restricted to tax increment financing activities.

The 2022 budget is structured to include funding for various programs, projects and services to improve the quality of life of our residents and embrace future economic development opportunities. Among the highlights for 2022:

- The Sustainability Center will feature many amenities including greenhouses, a community garden and space to conduct educational programs on sustainable energy and practices. The Center will facilitate field trips to showcase sustainable energy solutions practiced at the nearby landfill operated by Waste Connections and offer community programs for youth and adults.
- Implementation of a residential mechanical, electric, and plumbing permitting and inspections program. Previously contracted through St. Louis County, bringing this program in-house will provide convenience and a more responsive service to our residents.
- Implementation of a social services program to connect residents in-need with local social service and provider organizations.
- Developing a plan for a new Memorial Park to honor veterans.
- Capital Improvement Program (CIP) projects including local and collector street improvements to Fee Fee Road and bridge, McKelvey Road, and Adie Road. Additional Capital Improvements planned for 2022 include annual pavement maintenance and equipment replacement program, various stormwater improvements, sidewalk construction, and parking lot maintenance at the Government Center.
- Implementation of a new financial software system to enhance efficiencies in payroll, accounts receivable/payable, purchase orders, etc.
- Ongoing support of development agreements related to an entertainment district and Maryland Park Lake District, the approximately 1,800 acres along Route 141 between I-70 and Route 364.

Your input is important to us, and we hope you will share any comments or questions you may have about the budget or other city matters. You can email us at feedback@marylandheights.com or call (314) 291-6550.



Tracey A. Anderson, City Administrator

General Information

Annual Budget

The budget is intended to present a complete financial plan for the coming budget year and includes the following information:

1. A budget message describing the important features of the budget and major changes from the prior year.
2. Estimated revenues to be received from all sources for the budget year with a comparative statement of actual or estimated revenues for the preceding two years, itemized by year, fund and source.
3. Proposed expenditures for each department, office, and other classification for the budget year, together with a comparative statement of actual or estimated expenditures for the preceding two years, itemized by year, fund, activity and object of expenditure.
4. The amount required for the payment of interest, amortization, and redemption charges on any debt of the City.
5. A general budget summary.

Balanced Budget

The budget must conform to the statutory requirement that the total proposed expenditures from any fund shall not exceed the estimated revenues to be received, including debt issuances, transfers from other funds, and advances from other funds plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.

Budget Officer

The City Administrator is the designated Budget Officer charged with preparing a proposed budget for submission to the City Council.

Fiscal Year

The City's fiscal year begins January 1 and runs through December 31.

COVID-19 Impact and Economic Outlook

Although local economic factors can affect business performance, labor constraints along with viability and growth are factors of the global market that also have an impact. The city will continue to feel the negative impact of COVID-19 for years to come. All city leaders are tasked with analyzing future opportunities to achieve the financial outlook desired with limited funding sources.

Maryland Heights, which is a hub for business and commercial development in the St. Louis Metropolitan Area, has been challenged by the recent events, but is still receiving strong interest in future development along with a solid residential resale market. Focus has intensified in the Maryland Park Lake District as developments continue. This growth is creating temporary and permanent employment throughout the region. This continued interest in Maryland Heights is encouraging; the City is hopeful that economic activity will return to pre-COVID levels once this pandemic recedes.

As a city with a diverse economy, we have remained well balanced even with the negative impacts of COVID-19. Current unemployment rates within the City of Maryland Heights are lower than the National, State or St. Louis County rates at 3.1% versus 5.3%, 4.0%, and 3.7% respectively. Concerns remain that job growth will remain slow in the region, however, current data suggests employment has recently increased and will continue to increase as the pandemic diminishes. Despite all of these challenges, staff remain optimistic in the economic forecast for our community.

Internal and external impacts will have to be carefully monitored as economic and market conditions continue to affect the City on both a short-term and long-term basis. Furthermore, economic conditions need ongoing monitoring relative to all city expenditures, specifically personnel cost in future years.

Gaming Tax

\$9,000,000

Half-Cent Sales Tax

\$4,500,000

County Sales Tax

\$4,500,000

County Sales Tax-Public Safety

\$1,450,000

Utility Tax (Electric)

\$3,190,000

Utility Tax (Gas)

\$660,000

Utility Tax (Water)

\$440,000

Utility Tax (Telecom)

\$770,000

Court Fees/Fines

\$750,000

Incremental Taxes

\$3,010,000

County Road Refund

\$1,000,000

Motor Fuel Tax

\$850,000

Recreation Revenue

\$1,175,400

Business Licenses

\$600,000

Building Permits

\$750,000

Occupancy Permits

\$220,000

Investment Income

\$255,000

Aquaport Revenue

\$550,000

Sportport Revenue

\$67,000

Cable Franchise Fee

\$300,000

Vehicle Sales Tax

\$360,000

Tourism Tax

\$320,000

Sewer Lateral Fee

\$375,000

Cigarette Tax

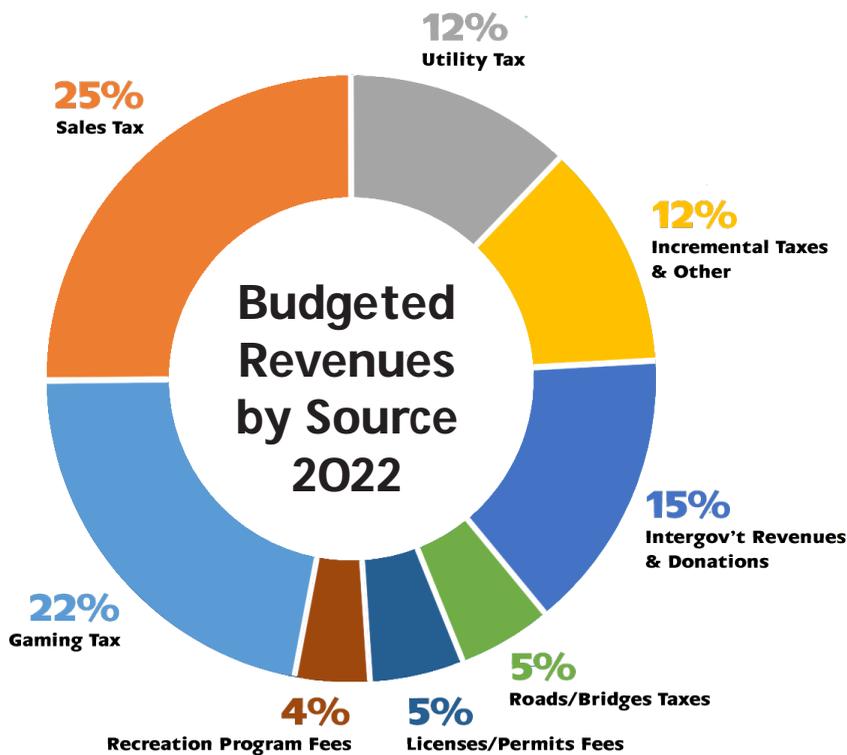
\$50,000

Intergovernmental Rev.

\$4,849,026

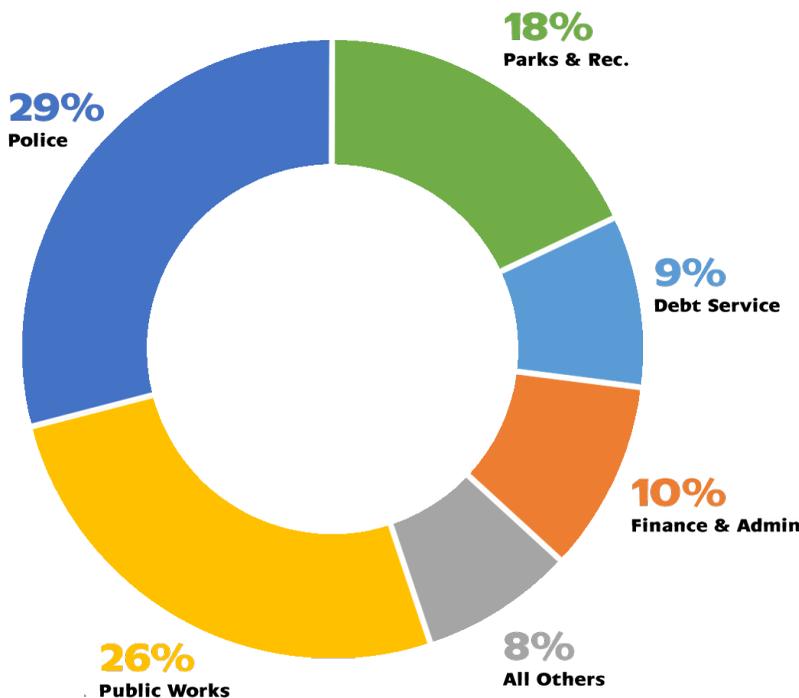
2022 Revenue Projections

Revenues: Where the Money Comes From



Revenue Source	2022 Budget (in thousands)
Gaming Tax	\$9,000
Sales Tax	10,450
Utility Tax	5,060
Incremental Taxes & Other	4,940
Intergov't. Revenues & Donations	5,949
Roads/Bridges Taxes	2,210
Licenses/Permits/Fees	1,956
Recreation Program Fees	1,792
Total	\$41,357

Expenditures: Where the Money Goes



Expenditure Source	2022 Budget (in thousands)
Public Works	\$10,972
Police	12,324
Parks & Rec.	7,564
Debt Service	3,790
Finance/Adm.	4,107
All Others	3,346
Total	\$42,103

City Budget By Fund

The City's accounts are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures.

Fund	Description
American Rescue Plan	Established in 2021 to account for proceeds and eligible expenditures related to the Federal American Rescue Plan Act of 2021 which was enacted into law on March 11, 2021.
Beautification	Expenditures restricted to beautification efforts within the City. Revenues consist of a billboard license tax.
Capital Improvement	Funds projects in the Capital Improvement Plan (CIP) with long useful lives (ex. road construction).
Community Center Debt Service	Accounts for the resources used to pay interest and principal on the debt issuance in 2015 related to the construction of the new community center.
Dorsett Road TIF	Accounts for incremental tax revenues generated from the district and for eligible expenditures in the redevelopment area.
General	Covers most day-to-day operational expenditures including administration, public works, police services, facility maintenance, communications and solid waste services. <i>Fund sources: utility, sales, road/bridge, cigarette and gaming taxes; business license fees, building permits, court fines, grants and interest on investments.</i>
Parks	Accounts for revenues from a special one-half cent parks sales tax and user fees charged for activities, programs and events. Transfers \$985,000 annually to Community Center Debt Service Fund.
Police Forfeiture	Accounts for monies or assets received by the City as a result of judgements in federal drug cases. Resources used to fund law enforcement programs.
Police Training	Accounts for money received from the POST Commission Fund of the State of Missouri; funds must be used for training of police officers.
Reserve	Provides resources to other funds in the event of temporary deficits or unforeseen needs.
Sewer Lateral	Expenditures restricted to repair broken sanitary sewer laterals within the City. Funded from a \$50 annual fee collected from each single family residence.
Streetlight	Accounts for a 0.5 percent tax on the gross receipts of utility companies (gas, telephone, water and electric). Monies in this fund are spent on installing and maintaining city streetlights.
Tourism Tax	Accounts for revenues from the half-cent tax collected on hotel rooms. These revenues are dedicated to promoting tourism in the City through the Maryland Heights Convention and Visitor's Bureau.
Westport Plaza TIF	Accounts for incremental and special district tax revenues generated from the area and for eligible expenditures in the redevelopment area.

CITY OF MARYLAND HEIGHTS
Summary of budget-by fund
Year ended, December 31, 2022

Fund	Revenues	Expenditures	Transfers/Advances	Change in fund	Begin balance	End balance
General	22,609,864	25,110,272	2,500,408	0	0	0
Streetlight	460,000	464,500		(4,500)	1,000,000	995,500
Tourism	320,000	220,000		100,000	(100,000)	0
Capital Improvement	3,330,000	4,808,913		(1,478,913)	2,670,000	1,191,087
Police Forfeiture	40,000	216,500		(176,500)	263,000	86,500
Parks	7,917,400	6,979,431	(1,260,000)	(322,031)	1,359,000	1,036,969
Reserve	0	0	251,754	251,754	25,040,000	25,291,754
American Rescue Plan	3,277,162	0	(3,277,162)	0	0	0
Sewer Lateral	375,000	270,000	-	105,000	1,026,000	1,131,000
Police Training	7,000	20,100		(13,100)	14,000	900
Beautification	11,000	18,100	-	(7,100)	30,000	22,900
Community Center DSF	0	985,000	985,000	0	30,000	30,000
Westport Plaza TIF	2,860,000	2,860,000		0	1,600,000	1,600,000
Dorsett TIF	150,000	150,000		0	106,000	106,000
	41,357,426	42,102,816	(800,000)	(1,545,390)	33,038,000	31,492,610

Budget Summary by Department

Administration

This area includes the City Administrator, City Clerk, Human Resources, Communications and Legal Services.

The City Administrator is responsible for the daily operations of the City. This position supervises all departments, sees that ordinances are enforced and contracts are performed and makes recommendations to the City Council regarding budget, operations and policy.

The City Clerk's Office maintains all city records, including minutes of City Council, Council Committee and Boards and Commissions meetings. The Clerk's Office processes liquor and business licenses and coordinates municipal elections with the St. Louis County Board of Election Commissioners.

Human Resources administers the City's personnel policies and coordinates training programs for employees. This office also oversees workers' recruitment, hiring, employee wellness and other benefits programs.

The Communications Division works to maintain two-way communication between the City and our residents, business community and visitors. This office produces the monthly newsletter, videos and other publications. Additionally, it maintains the City's website, social media accounts, app and other digital communication.

Legal Services includes the City Attorney, who represents the City and provides legal counsel as necessary, and two part-time City Prosecutors, who prosecute violations of city codes and ordinances. Risk Management activities include costs for property and liability insurance.

Programs/Divisions:	2022 Budget
City Clerk's Office:	\$431,193
Legal Services:	343,775
City Administrator's Office:	249,191
Human Resources:	366,459
Communications:	267,010
Central Services:	91,675
Risk Management:	530,000
Total:	\$2,279,303



Finance

In addition to finance, this department also includes Information Technology (IT). Finance supports other departments in achieving strategic goals, as well as to provide IT and data collection services to aid in decision-making.

The City's finance staff manages all financial and accounting functions of the City, including budgets, financial reports, cash management and payroll. The IT coordinator provides maps for use by all departments. IT staff maintain the City's computer network, phone systems and other technology.

Programs/Divisions:	2022 Budget
Finance:	\$632,805
Information Technology:	1,195,426
Capital Projects:	0
Total:	\$1,828,231

Community Development

This department is responsible for planning and zoning, construction permits, building inspections, code enforcement and economic development. New in 2022, the city will provide all residential mechanical, electrical and plumbing permits and inspections.

The Planning and Zoning Division manages future land development in accordance with community needs and the City's Comprehensive Plan; oversees zoning and subdivision codes; and reviews development proposals to ensure compliance with zoning regulations and safety and design standards. The Building and Codes Division reviews all construction plans; conducts building and occupancy inspections; and enforces property maintenance, building and zoning codes. The Economic Development Division manages development incentives and encourages businesses to stay in or relocate to Maryland Heights.

Programs/Divisions:	2022 Budget
Planning and Zoning:	\$340,727
Inspections:	1,518,450
Economic Development:	501,290
Promotion of Tourism:	220,000
Total:	\$2,580,467

Police

The Police Department strives to provide responsive, proactive and efficient service and create a safe environment for those who live in, work in and visit our city. The Administration Division coordinates training, scheduling, staffing and reporting. The Patrol Division works to prevent crime and responds to existing issues and incidents. The Investigation Division investigates all crime reports, processes evidence and manages juvenile cases, the Department's covert investigations, the K-9 Unit, traffic and drug enforcement, hotel liaison programs and the special response team. The Communication Division handles all incoming calls and works with other emergency agencies to respond to incidents. The Community Services Division interacts with the public through special programs like D.A.R.E., Citizens Police Academy and Maryland Heights Night Out. The Records Division maintains police reports, booking sheets and other information.

Programs/Divisions:	2022 Budget
Administration:	\$669,048
Patrol Services:	6,139,769
Investigation:	2,667,766
Communications:	1,279,083
Community Services:	1,358,355
Police Records:	210,171
Total:	\$12,324,192



Public Works

This department ensures that the City's transportation systems and other infrastructure are safe, efficient and attractive. Public Works activities also include stormwater management, streetlighting, solid waste collection, vehicle and equipment maintenance.

The Roads and Bridges Division maintains all city-controlled roads and bridges by replacing obsolete streets, patching potholes, sweeping streets, sealing cracks and making sure roads, bridges and sidewalks are safe. This division also provides snow removal, mosquito control and the planting and trimming of trees within city rights-of-way.

Programs/Divisions:	2022 Budget
Engineering and Administration:	\$392,511
Roads and Bridges:	2,040,816
Stormwater:	623,003
Streetlighting:	463,500
Solid Waste (<i>Residential trash/recycling/yard waste service</i>):	1,817,162
Vehicle/Equipment Maintenance:	554,558
Sewer Lateral:	270,000
Capital Projects:	4,576,000
Capital Projects Management:	233,913
Total:	\$10,971,463

Ice Center

In 2018, the City entered into various agreements to finance, construct and operate a new 277,000 square foot multi-purpose ice complex. The facility opened in September of 2019. Pursuant to an operating agreement with the City, the St. Louis Legacy Ice Foundation ("Operator") will manage all aspects of the Ice Arena.

The Ice Arena Fund is an Enterprise Fund of the City and is not included in the governmental fund. The City's annual obligation from governmental funds, subject to appropriation each year, consists of two separate commitments:

1. Annual payments that include the City's use of the facility

Pursuant to a financing agreement between the City, the St. Louis Legacy Ice Foundation and the St. Louis Ice Center Community Improvement District to issue \$55.5 million in revenue bonds, the City will make annual payments.

The 2022 budget provides for a transfer of \$175,000 from the Park Fund to the Ice Arena Fund to satisfy the commitment that also includes recreational use of the facility by the Parks and Recreation Department for programming time and special events.

2. Backstop to the Debt Service

The financing agreement also provides that the City, subject to appropriation by the City Council, in the event of shortfalls, to provide up to \$625,000 in additional annual payments to replenish the debt service reserve of the Series 2018A bonds. **The 2022 budget includes a transfer of \$625,000 from the Reserve Fund to the Ice Arena Fund in the event this "backstop payment" is necessary.**



Contact Us

11911 Dorsett Road
 T: (314) 291-6550
www.marylandheights.com

Mayor
 Mike Moeller
 (314) 878-6730

City Council

Ward 1
 Julia Bietsch
 (573) 330-0415

Susan Taylor
 (314) 484-7627

Ward 2
 Howard Abrams
 (314) 432-0814

Kim Baker
 (314) 275-4954

Ward 3
 Chuck Caverly
 (314) 566-0424

Nancy Medvick
 (314) 703-8987

Ward 4
 Steve Borgmann
 (314) 393-9448

Norm Rhea
 (314) 739-0096

City Administrator
 Tracey Anderson

City Clerk
 JoAnn Cova

Director of Finance
 Cathy Malawy

Director of Community Development
 Mike Zeek

Director of Public Works
 Cliff Baber

Superintendent of Recreation Facilities
 Adam Peper

Chief of Police
 Col. Bill Carson

Parks and Recreation

This department administers parks and recreation programs and maintains city recreation facilities, including the Maryland Heights Community Center, Aquaport and Dogport. The Department's mission is to build a greater sense of community and provide residents with a higher quality of life. The Parks Maintenance and Government Center Maintenance Divisions work to clean, maintain and repair city parks and the Government Center.

Programs/Divisions:	2022 Budget
Administration:	\$164,471
Recreation Services:	2,589,994
Community Center Maintenance:	1,025,606
Government Center Maintenance:	566,421
Aquaport:	752,883
Parks Maintenance:	821,477
Beautification:	18,100
Capital Projects:	1,625,000
Total:	\$7,563,952

Human Services

The Human Services Division administers utility tax rebates for eligible residents age 62 and over.

2022 Budget: \$225,000

Debt Service

In 2015, the City issued \$15 million in "certificates of participation" to fund about 50 percent of the construction cost of the new community center.

2022 Budget:
 Community Center Debt Service Fund: \$985,000

In 2020, the City issued \$20,355,000 in Tax Increment Financing bonds to refund notes previously issued. Revenues generated in the Westport Plaza Redevelopment Area will be used to pay debt service.

2022 Budget:
 Westport Plaza TIF: \$2,800,000

Municipal Court

The Municipal Court is the judicial branch of city government. The Municipal Judge is appointed by the Mayor with the consent of the City Council. Traffic, code enforcement and other ordinance violations are tried by the Court. The Violations Bureau provides for the efficient collection of fines and costs assessed by the Municipal Court.

2022 Budget: \$363,614