CITY OF DARDENNE PRAIRIE
2032 HANLEY ROAD
DARDENNE PRAIRIE, MO 63368

BOARD OF ALDERMEN
WORKSHOP AGENDA
AUGUST 2, 2017
5:30 p.m.

CALL MEETING TO ORDER

PLEDGE OF ALLEGIANCE

ITEMS FOR DISCUSSION AND CONSIDERATION

1. Discussion of Expansion of Parks & Recreation Programs by the City
2. Status of Proposed Annexations
3. RBA for Proposition P, half cent increase in Sales Tax for Parks and Storm Water Control (Mayor Zucker)
4. RBA for adoption of a Financial Reserve Policy (Mayor Zucker)
5. Short Term Goals (0 – 3 year projects)
6. Long Term Goals (3 – 10 year projects)
7. Review of Board of Aldermen Meeting Agenda (08-02-17)

STAFF COMMUNICATIONS

1. City Attorney
2. City Engineer
3. Staff
4. Aldermen
5. Mayor

CLOSED SESSION

Roll call vote to hold closed session pursuant to RSMo 610.021 section _____

Litigation and Privileged Communications (1)
Real Estate (2)
Personnel (3)
Labor (9)
Bid Specs (11)
Audit (17)

RETURN TO REGULAR MEETING AGENDA

ADJOURNMENT

RBA FORM (OFFICE USE)
MEETING DATE: **August 2, 2017**
Regular (**X**) Work Session (**X**)
ATTACHMENT: YES (**X**) NO ( )
Contract ( ) Ordinance (**X**) Other ( )

Request for Board Action
By: Mayor

Ward: All

- **Description: Proposed ballot measure to approve half cent sales tax for Parks and Storm Water**

- **Recommendation: Staff – Approve ( ) Disapprove ( )**

- **Summary/Explanation:**
- **The Board of Aldermen authorized the first reading of Bill 17-34 at its meeting on July 19, to place before the voters a proposition to increase the the City's sales tax by one half cent. The revenue would be restricted to Parks and Storm Water.**
- **For purposes of planning the expansion of park facilities and programs we estimate the sales tax would bring in about $570,000 per year, based on 2016 receipts.**
- **We project a target of $6 million to be financed. Based on preliminary estimates the cost of servicing a $6 million debt would be about $400,000 per year, leaving a surplus of about $170,000 to pay for parks and recreation department operating costs**
- **The Citizens should be asked whether they are willing to enact a half cent Parks & Storm Water sales tax (as permitted by Missouri Law) before the City commits to build park facilities.**
- **The next opportunity to ask the voters to consider a sales tax hike is November 7, 2017. The cost of a special election in November is about $55,000. If passed, the Sales tax would be collected starting in April 2018. If we waited until April 2018 to ask for voter approval the City could not collect additional revenue until October 2018 and would, as a consequence, forego collecting about $285,000. An upfront investment of $55,000 would allow the City to realize the additional revenue in 2018.**
- **If the voters reject the sales tax proposal we will cease efforts to develop additional parks & recreation facilities (except for enhancements of the Ball Fields which the City has already committed to do).**

- **The ordinance must be submitted to the County Election Authority by August 29 if we want it on the November Ballot.**
- **I propose to invite citizens to join a committee or committees to advise the City regarding the types of recreational programs that would serve a diverse population of all ages and interests.**
- **We would design a community building and other amenities with the list of programs and our overall budget in mind. It is likely that a community building will cost most of not all of the $6 million so we would approach the development of the City Park in phases, adding outdoor amenities as we collect revenue to pay for them.**
- **The Months of August, September and October will be very busy as we solicit public input, hold public meetings, and provide for public education regarding the proposed expansion of parks and recreation.**

- **Budget Impact:** (revenue generated, estimated cost, CIP item, etc.)

Financing Acquisition/Construction for a period of 20 years is estimated to cost up to $400,000 per year based on a hypothetical borrowing of $6 million. Estimating annual revenue of $570,000, the City would have an additional $170,000 available for park operating costs. Costs presently paid from general revenue plus additional costs for expanded facilities and operations could be funded by the Parks & Storm Water tax which frees up general revenue for other operating costs.

RBA requested by: Mayor Zucker CA: _____

RBA FORM (OFFICE USE)
MEETING DATE: **August 2, 2017**
Regular (**X**) Work Session (**X**)
ATTACHMENT: YES (**X**) NO ( )
Contract ( ) Ordinance () Other (**X**)

Request for Board Action
By: Mayor

Ward: All

- **Description: Resolution to Adopt a Financial Reserve Policy based on the proposed General Fund Reserve Goal**

- **Recommendation: Staff – Approve ( ) Disapprove ( )**

- **Summary/Explanation:**
- **The Board of Aldermen have discussed the need to establish a general fund reserve policy for the management of the City's budget and finances.**
- **The City's Financial Advisor, Joy Howard, prepared a General Fund Reserve Goal at our request. The BOA discussed the draft reserve goal and requested the Goal be finalized along with a statement of Policy.**
- **The General Fund Reserve Goal is attached to this RBA**
- **The Financial Advisor recommends a general fund reserve equal to 100% of the City's operating expenses which would equal $1,970,000 for this year. This is a conservative recommendation, as explained in the attached Reserve Goal document.**
- **The General Fund balance at the begins of 2017 was $3,572,412.**
- **A resolution adopting the Financial Reserve Policy is on the agenda for the August 2 business meeting.**
- **Adoption of the Financial Reserve Policy now will enable the City to consider capital improvement projects for the fiscal 2018 budget cycle using some of the excess reserve funds.**

- **Budget Impact:** (revenue generated, estimated cost, CIP item, etc.)
  Adoption of the Financial Reserve Policy would enable the Board of Aldermen to authorize up to about $1.5 million in capital improvements or other expenditures using funds currently held in reserve.

RBA requested by: Mayor Zucker CA: _____

GENERAL FUND RESERVE GOAL

for the City of Dardenne Prairie

Prepared by
WM Financial Strategies
July 2017

INTRODUCTION

The purpose of this report is to assist the City in establishing a general fund balance goal policy. The City is establishing a fund balance policy in order to determine the amount that should be retained as a general fund reserve balance (also known as an unassigned fund balance) and the amount of reserves that can be allocated to finance capital improvements. In the absence of such a policy it is possible that the City will retain excessive reserves thereby foregoing expenditures for necessary capital projects or spend excessively for capital projects thereby depleting reserves and impairing the financial health of the City.

The City does not have a capital improvement plan; however, the City has identified several projects that could be financed with reserve funds or alternatively borrowed funds. In particular, the City is considering purchasing a $1,500,000 site presently owned by St. Charles Community College on which is situated a gymnasium. The City has engaged SWT Design to identify potential uses of the land for park and recreational purposes and to provide estimated costs. Based on their findings the City may need between $4,010,000 and $7,250,000 of funds for the park development. Alternatively, the City is considering developing a park on property already owned by the City.

In addition to the foregoing, the City expects its future capital improvements to include routine street construction and maintenance and maintenance of other City facilities. In the long-term, the City would like to construct slip ramps off the I64 and Technology interchange.

Future capital projects and acquisitions could be financed on a pay-as-you-go basis, various borrowing programs or the use of a portion of the City's reserves. (For example, subject to voter approval the City has over $25,000,000 of general obligation bonding capacity.)

In order to fund capital projects, the goal of the City should be to limit the reserve balance to the level necessary to cover the cost of unexpected contingencies and to use excess balances to fund capital projects. The reserve balance should also be sufficiently large to (i) help insure a positive rating and credit position in the event bonding (or other forms of borrowing) are required in the future, (ii) to provide a source of emergency funds, and (iii) to avoid any cash flow borrowing.

WHAT IS A RESERVE FUND BALANCE

A reserve fund balance, sometimes referred to as unassigned fund balance, is equal to assets, less liabilities and less restricted reserves. The unrestricted reserve fund balance is typically comprised of current assets (cash and investments) and is accumulated over time. Over the course of a fiscal year, if revenues exceed expenditures the balance increases. Conversely, if expenditures exceed revenues the balance is reduced.

WHY A RESERVE FUND BALANCE IS NEEDED

A reserve fund balance helps local governments by providing a stable revenue structure and insures an orderly provision of services. Without a reserve fund balance an orderly provision of services can be disrupted by (i) uneven cash flow in which periodic revenues do not match the more stable expenditures of a community (e.g. payroll), (ii) economic recession which causes a decline in economically sensitive revenues such as general sales taxes, (iii) changes in retail (such as from E-commerce), or (iv) loss of a retailer. In addition, revenues and expenditures can be affected by factors which are totally unpredictable such as the following: (i) unanticipated changes in the laws which affect assessment or tax rates, (ii) imposition of mandates by federal and state governments, (iii) unanticipated expenditures resulting from natural disasters (iv) unforeseen capital expenditures from deteriorated infrastructure, (v) unforeseen increases in energy cost, or (vi) extraordinary employee overtime costs (e.g. snow removal during a bad winter).

DETERMINING THE RESERVE FUND NEEDED

There are a variety of formulas for determining the amount of money that should be set aside. A target level is generally based on funding a certain percentage of the annual operating expenditures or an amount sufficient to cover a certain number of months of operating expenditures. The appropriate level of funding and the formula can vary substantially from jurisdiction to jurisdiction and should take into account the governments dependence upon the level of economically sensitive revenues, consistency of expenditures and past financial experience.

There is little documented information regarding appropriate levels of reserve balance funding. The Government Finance Officers Associations (GFOA) has recommended that each government's unique circumstances should be taken into account when determining the appropriate amount of reserves. Regardless, GFOA recommends that at a minimum, general-purpose governments, maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating expenditures.

The amount of an unassigned general fund balance, is a significant factor the rating agencies take into account when assigning a bond rating. Moody's Investors Service ("Moody's") has expressed the following criteria regarding reserves: "One financial statistic that is key to evaluating financial strength is the General Fund balance as a percent of revenues. This ratio provides a measure of the financial reserves potentially available to fund unforeseen contingencies. The level of fund balance should be related to the likelihood that such reserves will be needed. Larger balances may be warranted if budgeted revenues and expenditures are economically sensitive or not easily forecasted."

Dardenne Prairie presently has an "Aa2" rating from Moody's. In March 2017, Moody's released certain 2015 financial data for municipal issuers. According to the report the Median Unassigned Fund Balance for all Moody's rated cities was 39.9% of general fund revenues and the Cash Balance was 42.8% of general fund revenues. The City's Unassigned General Fund fund balance was $3,572,412 as of December 31, 2016 and the cash and cash equivalents totaled $3,619,912 at that time. Accordingly, the City's Unassigned Fund Balance was 175% of general fund revenues and the Cash Balance was 177% of general fund revenues.

FACTORS AFFECTING THE RESERVE GOAL AMOUNT FOR DARDENNE PRAIRIE

The Economy

The primary shopping area in the City is the Dardenne Town Square, an outdoor shopping development encompassing approximately 345,000 square feet and anchored by Big-Box Stores including Target, JC Penney, Shop 'N Save and a 12-screen Wehrenberg Theater. In addition to the Dardenne Town Square are three additional small shopping areas.

The City has a limited number of light industries and warehouses that are located in a privately owned 59.6-acre business park, with approximately 23.5 acres available for future development.

The City is land-locked and future development is limited to properties within the City limits. The City estimates that approximately 25% of its area is not yet developed.

Review of Finances

The following is a description of some of the aspects of the City finances that will affect the appropriate level of fund balance.

The General Fund

In accordance with established accounting procedures for governmental units, the City records its financial transactions under various funds. The largest is the General Fund, from which all general operating expenses are paid and to which taxes and all other revenues not specifically allocated by law or contractual agreement to other funds are deposited. The City uses the modified cash basis of accounting which is a method of accounting other than generally accepted accounting principles. The following table sets forth the revenues, expenditures and changes in fund balance for the General Fund for the 2012 through 2016 Fiscal Years.

General Fund
Revenue, Expenditures and Changes in Fund Equity
(Modified Cash Basis of Accounting)

	2012	2013	2014	2015	2016
REVENUES					
Taxes	$1,409,921	$1,412,790	$1,486,376	$1,530,825	$1,542,034
Licenses and Permits	235,496	168,590	150,863	140,583	112,744
Court Fines	297,149	294,974	278,359	241,563	201,741
Investment Income	4,203	4,692	5,858	2,667	5,814
Lease Revenue	55,227	56,671	52,974	51,132	53,306
Other Revenue	33,262	39,150	43,639	44,877	130,281
Total Revenues	2,035,258	1,976,867	2,018,069	2,011,647	2,045,920
EXPENDITURES					
General Government[1]	1,534,786	1,587,674	1,579,893	1,542,452	1,528,073
Capital Outlay	116,508	73,981	95,381	389,190	486,111
Total Expenditures	1,651,294	1,661,655	1,675,274	1,931,642	2,014,184
REVENUES OVER (UNDER) EXPENDITURES	383,964	315,212	342,795	80,005	31,736
OTHER FINANCING SOURCES (USES)					
Interfund transfers in (Out)	—	—	—	—	—
CHANGE IN FUND BALANCE	383,964	315,212	342,795	80,005	31,736
FUND BALANCE BEGINNING OF YEAR	2,418,700	2,802,664	3,117,876	3,460,671	3,540,676
FUND BALANCE END OF YEAR	$2,802,664	$3,117,876	$3,460,671	$3,540,676	$3,572,412

(1) General Government includes payments made to a Transportation Development District as described below:
Pursuant to a March 1, 2005 Transportation Development Agreement between the City and OPUS Northwest LLC (developer), a commercial real estate development known as Dardenne Town Square, significant State of Missouri roadway and infrastructure improvements and significant City roadway improvements were constructed. A transportation development district (TDD) was created to provide funding for the State and City roadway and infrastructure improvements. The City agreed to contribute 50% of the aggregate sales taxes imposed by the City for general revenue purposes received from business and activities on the property within the TDD. This amount equaled ½ of 1% of all retail sales within the TDD through March 31, 2008. During 2008, the City received $3,000,000 from the State of Missouri as additional funding for the TDD City roadway improvements. Effective April 1, 2008, in lieu of remitting the $3,000,000 to the TDD, the City elected to increase its monthly contribution to the TDD to 59.5% of the aggregate sales taxes imposed by the City for general revenue purposes generated within the TDD. For the 2016 Fiscal Year the payment totaled $348,991.

Source: Audited Financial Statements of the City.

As indicated above the City has retained the following fund balance:

- For each of the past 5 years, the unreserved fund balance exceeded 100% of annual revenues.
- For the 2017 Fiscal Year the City has budgeted a fund balance of $3,496,783 or 178% of expenditures.

Sales Taxes

General Sales Taxes. General Sales Tax. A 1% City sales tax for general revenue was authorized by the State Legislature and was imposed following a favorable vote at an election held in the City in April 2004. The following table sets forth the total sales tax receipts from the 1% general sales tax of the City for the years 2012 through 2016:

Fiscal Year	General Sales Tax Receipts
2012	$1,029,717
2013	1,004,362
2014	1,087,667
2015	1,119,783
2016	1,142,454

Source: City Treasurer.

Based on the table above it should be noted that sales taxes presently equals more than 50% of General Fund revenue making the City extremely vulnerable to general economic recessions. In addition, at least one business in the City has sales representing more than 22% of total sales in the City. A loss of even on of the City's big box retailers could eliminate the City annual operating surplus.

Capital Improvement Sales Tax. In addition to the General Sales Tax, the City has a capital improvement sales tax. In April 2002, voters approved a ½% park and stormwater sales tax. On April 8, 2008, voters approved a ½% capital improvement sales tax to replace the City's park and stormwater sales tax. Pursuant to the proposition, the capital improvement sales tax may be spent for acquisition of park land, improvements to recreational facilities, stormwater systems, streets, traffic signalization, storm sewer system and municipal buildings. The following table sets forth the capital improvement sales tax receipts for the past five years.

Fiscal Year	Capital Improvement Sales Tax Receipts
2012	$514,522
2013	502,623
2014	543,233
2015	559,891
2016	571,120

Source: Audited financial statements of the City.

Revenue Flexibility and Vulnerability

As noted hereinbefore the City is highly financially vulnerable due to its strong dependence on sales taxes and dependence on big-box retailers. At the same time, the City has considerable flexibility to add to its sales tax base. Subject to voter approval, the City may impose a ½% sales tax for each of the following additional purposes: parks and storm water, economic development, and transportation. The following table shows how the City's tax rate compares to other major cities in St. Charles County:

Dardenne Prairie	**7.45%**
St. Charles	7.95
Lake St. Louis	7.95
O'Fallon	7.95
St. Peters	7.95
Wentzville	8.45

RECOMMENDED RESERVE

Due to its high dependence on economically sensitive revenues (sales taxes) and in particular revenue from a relatively small retail base with big-box stores, it is recommended that the City maintain its reserve at the high end of traditionally funded reserve levels.

Based on the information contained in this report, it is recommended that the reserve be maintained at no less than 100% of Operating Expenditures. For purposes of this report, the term "Operating Expenditures" means all budgeted expenditures but excluding capital expenditures that are to be paid with the City's capital improvement sales tax. If reserves are maintained at a high level (100% of Operating Expenditures) the amount would equal approximately $1,970,000. Although the City is dependent on economically sensitive revenues a reserve higher than $1,970,000 is not required due to the following:

- Given the City's favorable credit rating and modest amount of outstanding debt, the City should be able to obtain temporary loans for any short-term emergencies that may arise.

- The City has no outstanding general obligation debt and could seek voter approval for general obligation bonds in the event large capital projects are required in the future. Alternatively lease obligations with a new revenue source (e.g. a park sales tax) is possible.

- The City offers a limited range of municipal services. (e.g. without utilities there is less risk of unexpected equipment breakdowns.)

In the future, the City's economic base may grow and diversify. If that occurs, the City may consider reducing the reserve balance in the future.

CITY OF DARDENNE PRAIRIE
2032 HANLEY ROAD
DARDENNE PRAIRIE, MO 63368

BOARD OF ALDERMEN
MEETING AGENDA
AUGUST 2, 2017
7:00 p.m.

CALL MEETING TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

ROLL CALL
- Mayor Zucker
- Alderman Klingerman
- Alderman Nay
- Alderman Gotway
- Alderman Koch
- Alderman Wandling
- Alderman Santos

OPEN FORUM

CONSENT AGENDA
1. Expenditures for Approval 08-02-17

ITEMS REMOVED FROM CONSENT AGENDA

OLD BUSINESS

1. BILL # 17-34 (SECOND READING)
AN ORDINANCE OF THE CITY OF DARDENNE PRAIRIE, MISSOURI, SUBMITTING TO THE QUALIFIED VOTERS OF THE CITY, FOR THEIR APPROVAL AT THE GENERAL ELECTION TO BE HELD IN THE CITY ON THE 7TH DAY OF NOVEMBER 2017, A PROPOSITION TO AUTHORIZE THE CITY TO IMPOSE A SALES TAX OF ONE-HALF OF ONE PERCENT (0.5%) ON ALL RETAIL SALES MADE IN THE CITY, WITH THE REVENUE THEREFROM TO BE USED TO PROVIDE FUNDING FOR LOCAL PARKS AND STORM WATER CONTROL

NEW BUSINESS

1. RESOLUTION #291
A RESOLUTION OF THE CITY OF DARDENNE PRAIRIE, MISSOURI, TO ADOPT A POLICY FOR MANAGING FINANCIAL RESERVES

STAFF COMMUNICATIONS
1. City Attorney
2. City Engineer
3. Staff
4. Aldermen
5. Mayor

CLOSED SESSION

Roll call vote to hold closed session pursuant to RSMo 610.021 section _____

- Litigation and Privileged Communications (1)
- Real Estate (2)
- Personnel (3)
- Labor (9)
- Bid Specs (11)
- Audit (17)

RETURN TO REGULAR MEETING AGENDA

ADJOURNMENT

EXPENDITURES FOR APPROVAL
8/2/2017

1	Advertising Plus, Inc.	Mood Pencil for giveaway	544.90
2	Alderman Blake Nay	August, 2017	375.00
3	Alderman Dan Koch	August, 2017	375.00
4	Alderman Dave Wandling	August, 2017	375.00
5	Alderman Doug Santos	August, 2017	375.00
6	Alderman John Gotway	August, 2017	375.00
7	Alderman Kevin Klingerman	August, 2017	375.00
8	Ameren	August 15, 2017	2,995.75
9	Botz, Deal & Company	Audit Serv. For year end Dec. 31, 2016	12,600.00
10	Charlie's Farm & Home	DAA Field Maintenance Supplies	42.75
11	Cuivre River Electric	Acct. # 124256-002 & 004 August 2017	209.51
12	Da-Com	Office supplies	82.50
13	Dade Irrigation & Lawn Care, LLC	City Hall Irrigation Repair	93.00
14	Fast Signs	Aluminum Sign	506.92
15	First Bank	Credit Card Charges	4,694.26
16	Fry & Associates, Inc.	Playground Repair	850.00
17	General Code	e Code Annual Maintenance	1,195.00
18	GFI Digital	Copies	221.03
19	Hoff Heating	Replaced Acoil in the attic for concession Inv. # 1174273	1,945.00
20	Hoff Heating	Replaced low voltage belt & ck. AC Inv. # 1172552	310.00
21	Hoff Heating	Added refrigerant to concession stand system Inv.# 1173573	795.00
22	Hoff Heating	Checked frozen unit Inv. # 1174295	676.00
23	Hoff Heating	System ck. Inv. # 1174549	121.00
24	Jeffrey J. Sandcork	Prosecuting Attorney: July, 2017	1,100.00
25	Kone	Annual inspection	795.00
26	Mayor David C. Zucker	August, 2017	1,000.00
27	Missouri Dept. Of Public Safety	Elevator Certificate fee	25.00
28	Office Essentials	Reader Universal Card Order # S00587387	24.69
29	Payroll	Payroll: 7-28-17	21,136.82
30	Principal Financial Group	Life Insurance 8/1/17 - 8/31/17	211.68
31	Scott Stork	Provisional Judge July 26, 2017	500.00
32	Stratus Building Solutions	Janitorial Service August 2017	385.00
33	SWT Design	Prosessional Service May 29, 2017 - July 2, 2017	3,403.27
34	The Law Office of Dennis Chassaniol	Municipal Judge: August, 2017	500.00
35	UMB	Semi Annual Bryan Road NID Payment	8,352.50
			67,566.58

Approved by Board of Aldermen 08-02-17

Mayor David C. Zucker

BILL NO. 17-34

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY OF DARDENNE PRAIRIE, MISSOURI, SUBMITTING TO THE QUALIFIED VOTERS OF THE CITY, FOR THEIR APPROVAL AT THE GENERAL ELECTION TO BE HELD IN THE CITY ON THE 7th DAY OF NOVEMBER 2017, A PROPOSITION TO AUTHORIZE THE CITY TO IMPOSE A SALES TAX OF ONE-HALF OF ONE PERCENT (0.5%) ON ALL RETAIL SALES MADE IN THE CITY, WITH THE REVENUE THEREFROM TO BE USED TO PROVIDE FUNDING FOR LOCAL PARKS AND STORM WATER CONTROL

WHEREAS, pursuant to § 644.032, RSMo., "The governing body of any municipality...may impose, by ordinance..., a sales tax in an amount not to exceed one-half of one percent on all retail sales made in such municipality.... [which] shall be used to provide funding for storm water control or for local parks, or both, within such municipality ..."; and

WHEREAS, the Board of Aldermen of the City of Dardenne Prairie must submit to the qualified voters of the City, at a municipal, county or state general, primary or special election, a proposal to authorize the City to impose such a tax pursuant to pursuant to § 644.032, RSMo.; and

WHEREAS, the Board of Aldermen believes it is in the best interests of the residents of the City that it propose to the qualified voters of the City the imposition of an additional one-half of one percent (0.5%) sales tax to provide additional funding for local parks and storm water control; and

WHEREAS, the Board of Aldermen believes it is in the best interests of the residents of the City that such a proposition be placed on the ballot at the November 7, 2017, general election.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF DARDENNE PRAIRIE, MISSOURI, AS FOLLOWS:

SECTION 1. That pursuant to the authority granted under § 644.032, RSMo., there shall be submitted to the qualified voters of the City of Dardenne Prairie, Missouri, for their approval, at the general election to be held on November 7, 2017, the following proposition:

PROPOSITION P

Shall the municipality of the City of Dardenne Prairie, Missouri, impose a sales tax of one-half of one percent (0.5%) for the purpose of providing funding for local parks and storm water control for the municipality?

□ Yes □ No

If you are in favor of the question, mark the box opposite "Yes". If you are opposed to the question, mark the box opposite "No".

SECTION 2. The City Clerk is hereby directed to submit a certified copy of this Ordinance to the St. Charles County Election Authority, and shall notify the Election Authority that the City is calling for an election within the City at the general election to be held on the 7th day of November 2017, specifying the purpose of the election, the date of the election, the legal notice to be published, and the sample ballot language as set forth in Section 1 of this Ordinance.

SECTION 3. The election shall be held on the designated date at the polling places in the City as selected by the St. Charles County Election Authority for the conduct of the general election to be held on the 7th day of November 2017. The polls for said election will be kept open from 6:00 a.m. until 7:00 p.m. local time on that date. All persons who are legal voters and who have registered before 5:00 p.m. on the fourth Wednesday prior to the election will be entitled to vote at the election, unless the voter is an interstate former resident, an intrastate new resident, a new resident or a covered voter as defined in § 115.275, RSMo. In no case shall registration for an election extend beyond 10:00 p.m. on the fourth Wednesday prior to the election except that a covered voter as defined in § 115.275, RSMo., who has been discharged from military service, has returned from a military deployment or activation, or has separated from employment outside the territorial limits of the United States after the deadline to register to vote, and who is otherwise qualified to register to vote, may register to vote in person before the Election Authority until 5:00 p.m. on the Friday before the election. The judges and clerks for the election shall be those persons designated by the St. Charles County Election Authority to act as judges and clerks at the election to be held on that date.

SECTION 4. Effective Date: This Ordinance shall be in full force and take effect from and after its final passage and approval.

SECTION 5. Savings Clause: Nothing contained herein shall in any manner be deemed or construed to alter, modify, supersede, supplant or otherwise nullify any other Ordinance of the City or the requirements thereof whether or not relating to or in any manner connected with the subject matter hereof, unless expressly set forth herein.

SECTION 6. Severability Clause: If any term, condition, or provision of this Ordinance shall, to any extent, be held to be invalid or unenforceable, the remainder hereof shall be valid in all other respects and continue to be effective and each and every remaining provision hereof shall be valid and shall be enforced to the fullest extent permitted by law, it being the intent of the Board of Aldermen that it would have enacted this Ordinance without the invalid or unenforceable provisions. In the event of a subsequent change in applicable law so that the provision which had been held invalid is no longer invalid, said provision shall thereupon return to full force and effect without further action by the City and shall thereafter be binding.

Read two times, passed, and approved this _____ day of _____, 2017.

_____
As Presiding Officer and as Mayor

Attest:

_____
City Clerk

Approved this _____ day of _____, 2017.

_____
Mayor

Attest:

_____
City Clerk

RESOLUTION NO. 291

A RESOLUTION OF THE CITY OF DARDENNE PRAIRIE, MISSOURI, TO ADOPT A POLICY FOR MANAGING FINANCIAL RESERVES

WHEREAS, the Board of Aldermen desires to manage the City's finances in a fiscally conservative manner; and

WHEREAS, the Board of Aldermen recognizes the need to have sufficient reserves to meet emergencies and un-forecasted requirements; and

WHEREAS, the Board of Aldermen desires to avoid accumulation of excessive reserves while delivering necessary and desirable services to the public; and

WHEREAS, the Board of Aldermen also desires to maintain a respectable financial rating in the event the City were to borrow money for future capital improvements;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF DARDENNE PRAIRIE, MISSOURI, AS FOLLOWS:

SECTION 1. That the City of Dardenne Prairie, Missouri does hereby adopt the "City of Dardenne Prairie Financial Reserve Policy" as set forth in Exhibit A, attached hereto and incorporated herein.

Approved this _____day of _____2017.

_____
As Presiding Officer and as Mayor

Attest:

_____
City Clerk

EXHIBIT A

CITY OF DARDENNE PRAIRIE
FINANCIAL RESERVE POLICY

Section 1. Purpose and Scope

The City has developed this Financial Reserve Policy to establish the amount of funds to be retained and expenditures to be made from funds held as reserves.

The City embraces what it considers to be a fiscally conservative approach to managing its revenues and expenditures. In determining an appropriate level funds to hold as a financial reserve the City balances the cost of delivering necessary and desirable services to the public with the need to maintain a balance of general revenue on hand to meet emergencies or other un-forecasted requirements. Some cities provide reserves equal to one fiscal quarter's worth of general revenue or operating expenses. Other cities hold a higher reserve, for example, up to a full year's worth of general revenue or operating expenses.

Dardenne Prairie (the "City") has determined that its finances are dependent on economically sensitive revenues, including, in particular, sales taxes. The City's fiscal stability can be significantly affected by stagnant or declining sales taxes and could also be significantly impacted by changes or closures of retailers in the City. Sufficient reserves can insure the continued orderly operation of government and provision of services to residents, prevent cash-flow borrowings, prevent reductions in services during emergencies and insure a positive bond rating and credit position.

The City has also determined that maintaining reserves at a maximum target level can prevent the accumulation of excessive reserves thereby making additional funding available for capital projects or operating expenses without impairing the fiscal stability of the City.

Section 2. Objectives

The City's financial reserves are intended to be sufficient to achieve the following objectives:

Emergency Funds: To provide a source of funds for repairs to City equipment, vehicles, buildings or infrastructure in the event of an unexpected emergency for which the City has not appropriated funds for repairs or replacements as part of its regular annual budget.

Liquidity: To insure the availability of funds to correct uneven cash-flows resulting from the timing differences between revenues received and expenditures made and thereby prevent short-term cash flow borrowings.

Insure an Orderly Provision of Services: To insure the availability of funds for continuous efficient services in the event of an economic recession which results in a significant decline in revenues.

Minimize Risk of Unexpected Revenue Reductions or Increased Expenditures: To provide a source of money for funding governmental operations in the event of unexpected events such as new federal or state government mandates, assessment changes or limitations on taxation, unexpected financial impacts from binding arbitration or litigation, unanticipated expenditures resulting from natural disasters, such as flooding, or similar unpredictable events that impact City infrastructure, natural or manmade disasters affecting retail business operations in the City and/or changes or closures of retail businesses in the City.

Section 3. Reserve Goal

To achieve the objectives stated herein the City will establish a financial reserve amount ("Unassigned Reserves") initially equal to $1,970,000 and thereafter with a goal equal to 100% of operating expenditures in the General Fund (expenditures classified as "General Government" in the City's audit). A fund balance may be accumulated in other funds but shall not be required.

Section 4. Reserve Expenditures

Reserves may not be budgeted for routine operations or maintenance, but may be spent consistent with an emergency or a fiscal crisis for the following purposes:

- To correct revenue cash-flow shortfalls,
- To correct an unforeseen annual revenue budgetary shortfall,
- To the extent permitted by law, to make temporary or emergency operating transfers to any City fund, or
- For emergency repairs, replacements or expenditures.

Section 5. Periodic Review

The Mayor may periodically evaluate and make recommendations to the Board of Aldermen regarding the adequacy of reserves based on the economic diversity of the City and annual cash flow.

Section 6. Funding

To accumulate the proper level of reserves, the City shall implement the following procedures:

(i) Except as described below, the City will budget, on the budget basis of accounting (cash basis), an ending balance equal to the Unassigned Reserves (all revenues less all expenditures).

(ii) When the Unassigned Reserves fall below the Unassigned Reserve goal at the end of a fiscal

year and the current budget does not show sufficient revenues exceeding expenditures to fully fund the Unassigned Reserves in an amount equal to 100% of budgeted operating expenditures, then the City will suspend any non-mandatory General Fund capital expenditures each year until the Unassigned Reserves equal 100% of operating expenditures.

(iii) When expenditures are made from Unassigned Reserves for expenses incurred as a result of any natural or manmade emergency, the Unassigned Reserve shall be restored to the fullest extent possible with any grants or insurance awards upon receipt.

(iv) When Unassigned Reserves are below the Unassigned Reserve goal at the end of any fiscal year, the Mayor shall promptly advise the Board of Aldermen regarding the decline and make recommendations regarding the method to restore the Unassigned Reserves.

When the reserve exceeds the Unassigned Reserve goal, the Mayor shall advise the Board of Aldermen of the current and projected balance and may make recommendations regarding the use of excess funds which may be for any lawful purpose including budgeting transfers to the Capital Improvement Fund and designating such funds for future capital improvements.

Modification to Policy

Any modifications made to this policy must be approved by the Board of Aldermen.