

# 2024 BUDGET IN BRIEF



# 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 2024 budgeted revenues for all governmental funds is \$43.7 million, a decrease of \$286,000 (1%) from the estimate for 2023. The decrease in revenue is due to the use of \$2.2 million in one-time American Rescue Plan Act funds in 2023, but those funds are no longer available for use in 2024. If we do not account for the ARPA funds in 2023, the revenue across all funds in 2024 is an estimated increase of \$1.9 million (4.6%). \$875,000 of the increase relates to an anticipated increase in sales and gaming tax revenue. \$250,000 relates to sales tax from marijuana sales as the City’s first dispensary opened in late 2023. Approximately, \$500,000 is included in the 2024 budget as a one-time payment from a telephone utility tax litigation suit awarded to the City in a Class Action Settlement.

Much of the City’s tax revenues depend on activity in office buildings, hotels, restaurants, youth and adult sports, concert venues, and the casino. The 2024 revenue projections anticipate a near full recovery in revenue collections compared to Fiscal Years 2020, 2021, and 2022, in which the COVID-19 pandemic put significant strain on City revenues.

Gaming taxes are projected to be up approximately \$550,000 to \$9.83 million in 2024 compared to 2023 year-end estimates of \$9.28 million. This projection is 98.5% of levels seen pre-COVID-19. Utility taxes and sales taxes are projected at 105% and 113%, respectively, of the 2019 actual received. Recreation user fees are budgeted at \$2.46 million in 2024, up from the \$2.1 million projected in 2023. The demand for recreation programs is expected to continue and an increase in attendance at Aquaport and the Community Center are expected.



*Exterior of the Government Center*



*Aquaport Visitors in the Lazy River*

Intergovernmental revenues will decline significantly due to smaller capital projects paid for by grants in the Parks Department in 2024 compared to 2023 and due to the spend down of American Rescue Plan Act Funds (ARPA) received and utilized in 2021, 2022, and 2023. In 2024, the City will not be able to rely on the ARPA funds (the funds the City received from the Federal Government for replacement of lost revenue due to the pandemic). The intergovernmental revenue includes a federal grant of \$820,000 to offset construction costs related to rehabilitation of Adie Road and \$89,000 to offset construction costs related to the improvements at Parkwood Park.

Total expenditures, all funds, in 2024 will be approximately \$43.7 million, a decrease of \$800,000 from the estimated \$44.5 million in 2023. \$500 thousand

of the decrease relates to expenditures in property restoration that occurred as the result of a flood in 2022 and the related expenditures for these repairs in 2023. The remainder of the decrease in expenditures is a result of less capital projects budgeted for in 2024 compared to 2023.

General Fund expenditures are up \$1.3 million (5%) in 2024 and are mostly related to an increase in personnel costs. The Budget was prepared with a 3% market adjustment in salaries for all full-time employees. Other operational expenditure increases are anticipated costs associated with employee benefits and the increase in the cost of commodities due to inflation.

*Police Officer at Maryland Heights Night Out*



Capital Improvement Fund expenditures are expected to decrease by \$887,000 (18%). The decrease is related to a large project for the City's Sustainability Center that was completed in 2023 and expenditures related to the project will not be recognized in 2024.

Park Fund expenditures are projected to be \$7.5 million, and 1% lower than the 2023 year-end estimate. While the Parks Fund operational budget increased compared to 2023, the capital projects planned for the parks department will decrease in 2024.

At the end of 2024, the City's Reserve Fund will be approximately \$29 million, equal to 103% of 2024 General Fund expenditures; the City's goal is to maintain a level of 75%. The Capital Improvement Fund will decrease \$414,000 as planned project expenditures are expected to exceed gaming tax and grant funding. All budgetary funds will total \$45.5 million at the end of the year of which \$6 million is restricted to tax increment financing activities.



*Maryland Heights Sustainability Center*

The 2024 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 2024:

- Capital Improvement Program (CIP) projects, including local and collector street improvements to Fee Fee and Creve Coeur Mill Roads.
- Engagement with Better City consultants to establish a 10-year Strategic Plan for Economic Development.

Additional Capital Improvements planned for 2024 include:

- Various storm water improvements and sidewalk construction.
- Application of a new financial software system to enhance efficiencies in payroll, accounts receivable/payable, purchase orders, etc. Staff will begin using it in January.
- 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. The Comprehensive Master Plan will guide development decisions and policies throughout the City so we are working within a cohesive vision.

The City will continue to monitor the following potential challenges to future revenue growth and sources of funds:

- Personnel costs and staffing challenges in a competitive labor market.
- Commitment to providing a backstop to the debt of the Centene Community Ice Center.
- State legislation that affects existing gaming tax revenue and future approval of video lottery terminals (VLTs), sports betting, and online wagering.
- Local and state gaming market and long-term impact on gaming tax revenue.
- Legislation and energy initiatives that impact utility tax revenue long-term.
- Long-term maintenance of city-owned facilities.
- Market support to create new revenue sources – reliance on existing revenue sources for funding.
- Demands of services on all departments, particularly Parks and Recreation, Public Works, and Police.
- Long-term maintenance of City owned facilities, including an assessment of our Capital Improvement Plan for the City.
- Continued, long-term impact of Senate Bill 5 and other state efforts to legislate control over Municipal Court operations.



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](mailto:feedback@marylandheights.com) or call (314) 291-6550.

Tracey A. Anderson, City Administrator

*Fire Inside Dancers  
at Worldfest 2023*

# 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.

### *Dogport Under Construction*



## FUND BALANCES

The City's budgetary fund balances will total \$45 million at the end of 2024, a decrease of \$746,000 from the end of 2023

## PAY PLAN

In 2018, the City implemented a market-based pay plan for all City employees. The City has identified peer cities which offer similar jobs and have resources available to compensate employees among the highest in the regional area. The City identifies where they wish to rank among the group of comparator cities and will periodically adjust the pay scale accordingly. No adjustments were made to the pay scale during 2021; including step increase for non-exempt staff. There was a 5% market adjustment to the budget in 2023 and another mid-year market adjustment of 4%. The 2024 budget includes a 3% market adjustment for all full-time personnel.

The personnel costs reflect an assumption that full-time positions are filled for the entire year with no turnover. Employees are paid based on 2080 hours per year, 26 periods of 80 hours.

## ECONOMIC OUTLOOK

The 2024 budget was prepared with the assumption that the City will experience a return to normal economic activity at levels close to 2019, the year prior to the pandemic. The City relies heavily on the hospitality industry including business and leisure travel to generate tax revenues and other fees. The 2024 budget plan uses 2019 as a pre-pandemic base year to calculate revenue estimates. Certain City revenues such as gaming tax, sales tax, and utility tax are more prone to impacts of economic fluctuations.

Specifically, for several years prior to the pandemic, gaming taxes averaged \$10 million annually. The 2024 budget projects a moderate recovery to \$9.8 million which is 98.5% of the base year of 2019. The anticipated moderate recovery for this revenue source is due to a slow return in attendance and operational challenges to bring the activity at the Casino to pre-pandemic levels.

In 2024 the City's half-cent sales tax to fund Parks and Recreation is estimated at 106% of pre-pandemic levels. During 2023, half-cent taxes generated 102% of 2019. The increase in tax revenue from this source is a result of an increase in economic activity coupled with rising inflation.



*Road Closed for Work, Lackland Rd.*

The 2024 budget anticipates the City’s share of a county-wide sales tax to be 113% of levels seen in 2019.

Utility taxes rely heavily on commercial activity within the City. Commercial activity has returned to near normal since the downturn created by the pandemic and natural gas prices have sky rocketed. The 2024 budget predicts 105% of pre-pandemic amounts.

The 2024 expenditure budget reflects an expected increase in the General Fund of 5% (\$1.35 million) over 2023 estimates and a decrease in expenditures across all funds of 2%. The personnel budget reflects a 3% market adjustment for all full-time city staff. After several years scrutinizing capital projects on an as necessary basis, the 2024 budget plans for the completion of delayed capital projects and purchases.

# 2024 REVENUE PROJECTIONS

Total revenue for 2024 is expected to be 0.7% (\$286,000) lower in 2024 than 2023. Additionally, \$900,000 of grants will be used to cover eligible expenditures related to a capital project.

## OTHER NOTABLE INCREASES:

Gaming taxes are expected to be \$550,000 higher (6%) in 2024 than 2023. Even with the anticipated increase, gaming taxes will be \$148,000 less than pre-pandemic levels. Gaming taxes are 22% of 2024 City revenue sources.

Sales Taxes are expected to increase 5% in 2024 from 2023. This is mostly related to an increase in inflation and retail activity, and the addition of a newly authorized sales tax on marijuana sales approved by the voters in the 2023 spring election.

Recreation User Fees are expected to be 21% higher in 2024 compared to 2023. Estimated revenues reflect anticipated higher demand for recreation programs as well as higher activity levels at the newly renovated water park coupled with the increase in user fees in 2024.

In-person court resumed in July 2021 after being virtual due to the pandemic. Court revenues are expected to continue to increase to pre-pandemic levels as backlogs of cases are processed.

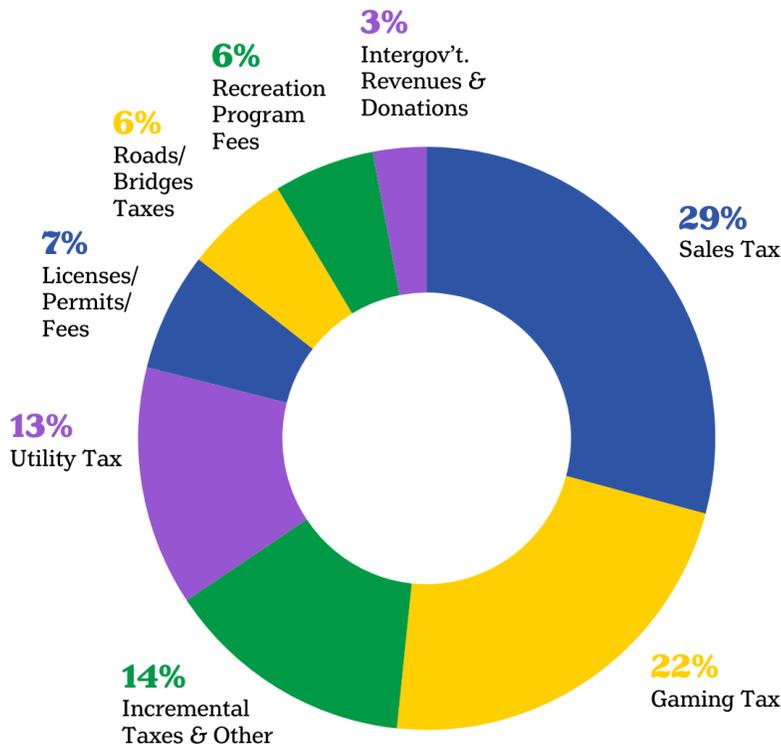
Tourism tax is anticipated to remain flat, as the revenue from this source has increased since the end of the pandemic and is back to almost normal. Leisure and business travel increased in 2023 and is expected to continue to remain strong. Additionally, several hotels in the city are being updated and renovated.

Gaming Tax .....	\$9,835,000
Half-Cent Sales Tax .....	\$5,284,000
County Sales Tax .....	\$5,356,000
Public Safety Sales Tax .....	\$1,860,000
Utility Tax (Electric) .....	\$3,740,500
Utility Tax (Gas) .....	\$888,800
Utility Tax (Water) .....	\$660,000
Utility Tax (Telecom) .....	\$528,000
Court Fees/Fines .....	\$950,000
Incremental Taxes .....	\$1,504,115
County Road Refund .....	\$1,192,000
Motor Fuel Tax .....	\$930,000
Recreation Revenue .....	\$1,558,830
Business Licenses .....	\$631,000
Building Permits .....	\$750,000
Occupancy Permits .....	\$245,000
Investment Income .....	\$1,069,000
Aquaport Revenue .....	\$817,000
Sportport Revenue .....	\$88,000
Cable Franchise Fee .....	\$305,000
Vehicle Sales Tax .....	\$435,000
Tourism Tax .....	\$320,000
Sewer Lateral Fee .....	\$375,000
Cigarette Tax .....	\$48,000
Special District Revenue .....	\$2,079,482
Intergovernmental Revenue .....	\$1,312,000
Other .....	\$712,679

Exterior of Government Center Entrance

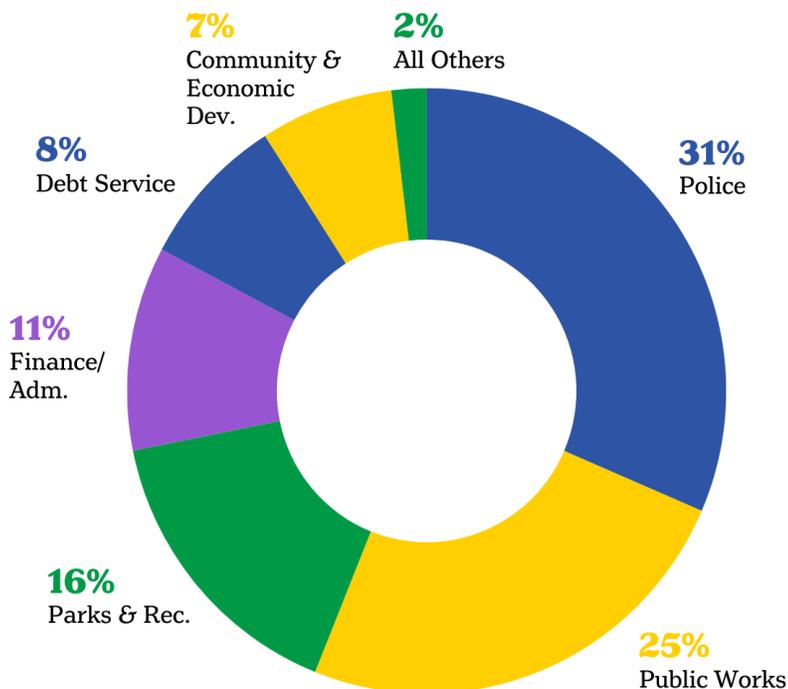


# REVENUES: WHERE THE MONEY COMES FROM



Revenue Source	2024 Budget (In Thousands)
Gaming Tax	\$9,835
Sales Tax	12,750
Utility Tax	5,817
Incremental Taxes & Other	6,108
Intergov't. Revenues & Donations	1,312
Roads/Bridges Taxes	2,557
Licenses/ Permits/ Fees	2,881
Recreation Program Fees	2,464
<b>Total</b>	<b>\$43,724</b>

# EXPENDITURES: WHERE THE MONEY GOES



Expenditure Source	2024 Budget (In Thousands)
Public Works	\$10,738
Police	13,749
Parks & Rec.	6,883
Debt Service	3,579
Finance/Adm.	4,762
Community & Economic Dev.	3,136
All Others	823
<b>Total</b>	<b>\$43,670</b>

# 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 and \$175,000 annually to Ice Center Fund.
Police Forfeiture	Accounts for monies or assets received by the City as a result of judgments 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% 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, 2024

Fund	Revenues	Expenditures	Transfers/Advances	Change in fund	Begin balance	End balance
General	27,092,679	28,264,600	1,171,921	-	-	-
Streetlight	528,800	506,100	-	22,700	1,210,158	1,232,858
Tourism	320,000	300,000	-	20,000	5,030	25,030
Capital Improvement	3,770,000	4,183,557	-	(413,557)	2,199,912	1,786,355
Police Forfeiture	25,000	37,300	-	(12,300)	34,025	21,725
Parks	7,836,830	6,261,368	(1,260,000)	315,462	4,689,017	5,004,479
Reserve	-	-	(1,696,921)	(1,696,921)	31,569,983	29,873,062
American Rescue Plan	-	-	-	0	0	-
Sewer Lateral	375,000	270,000	-	105,000	1,280,246	1,385,246
Police Training	7,000	2,700	-	4,300	4,578	8,878
Beautification	16,000	9,000	-	7,000	69,300	76,300
Community Center DSF	4,000	979,156	985,000	9,844	40,000	49,844
Westport Plaza TIF	3,416,597	2,705,500	-	711,097	4,794,725	5,505,822
Dorsett TIF	332,000	150,000	-	182,000	365,152	547,152
	43,723,906	43,669,281	(800,000)	(745,375)	46,262,126	45,516,751

# BUDGET SUMMARY BY DEPARTMENT

## ADMINISTRATION

This area includes the City Administrator, City Clerk, Human Resources, Communications, Information Technology (IT), 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 bimonthly newsletter, videos, and other printed publications. Additionally, it maintains the City's website, social media accounts, mobile app, and other means of digital communication.

The **IT Department** maintains the City's computer network, phone systems, and other city-wide technology.

**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:	2024 Budget
City Clerk's Office:	\$484,728
Legal Services:	360,515
City Administrator's Office:	283,282
Human Resources:	384,587
Communications:	515,982
Central Services:	101,750
Risk Management:	551,000
Information Technology:	1,389,223
<b>Total:</b>	<b>\$4,071,067</b>



*City Staff Providing Notary Service*

## FINANCE

Finance supports other departments in achieving strategic goals. The City's finance staff manages all financial and accounting functions of the City, including budgets, financial reports, cash management, investments, and payroll.

Programs/Divisions:	2024 Budget
Finance:	\$690,367
<b>Total:</b>	<b>\$690,637</b>

## COMMUNITY DEVELOPMENT

This department is responsible for planning and zoning, construction permits, building inspections, and code enforcement. Beginning in 2022, the city added to its community development services by providing 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.

Programs/Divisions:	2024 Budget
Planning and Zoning:	\$398,145
Inspections:	1,816,927
<b>Total:</b>	<b>\$2,215,072</b>

*Government Center Front Desk*





*Citizen's Academy Police Station Tour*

## 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:	2024 Budget
Administration:	\$460,212
Patrol Services:	6,959,996
Investigation:	2,966,881
Communications:	1,504,393
Community Services:	1,625,563
Police Records:	232,334
<b>Total:</b>	<b>\$13,749,379</b>

*Public Works Working on a Road Project*



## ECONOMIC DEVELOPMENT

The Economic Development Department manages development incentives and encourages businesses to stay in or relocate to Maryland Heights.

Programs/Divisions:	2024 Budget
Economic Development:	\$365,491
Promotion of Tourism:	300,000
<b>Total:</b>	<b>\$665,491</b>



*Economic Development Director Jim Carver Speaks at the 2023 Economic Development Forum*

## PUBLIC WORKS

This department ensures that the City's transportation systems and other infrastructure are safe, efficient and attractive. Public Works activities also include storm water management, street lighting, 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 tree planting and trimming within City rights-of-way.

Programs/Divisions:	2024 Budget
Engineering and Administration:	\$419,455
Roads and Bridges:	2,191,587
Storm water:	656,369
Street lighting:	506,100
Solid Waste:	1,923,300
Vehicle/Equipment Maintenance:	585,885
Sewer Lateral:	270,000
Capital Projects:	3,970,000
Capital Projects Management:	213,557
<b>Total:</b>	<b>\$10,736,153</b>



Young Resident Playing at a Playground in Parkwood Park.

## 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:	2024 Budget
Administration:	\$182,566
Recreation Services:	2,770,222
Community Center Maintenance:	1,259,372
Government Center Maintenance:	613,441
Aquaport:	793,369
Parks Maintenance:	1,166,839
Beautification:	9,000
Capital Projects:	89,000
<b>Total:</b>	<b>\$6,883,809</b>

## HUMAN SERVICES

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

**2024 Budget:** ..... \$185,000

## DEBT SERVICE

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

**2024 Budget:**

**Community Center Debt Service Fund:** ..... \$979,156

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.

**2024 Budget:**

**Westport Plaza TIF:** ..... \$2,705,500

## 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.

**2024 Budget:** ..... \$416,586

# CONTACT US

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## MAYOR

Mike Moeller • (314) 878-6730

## CITY COUNCIL

### WARD 1

James Surgeon • (314) 704-2957  
Susan Taylor • (314) 484-7627

### WARD 2

Howard Abrams • (314) 432-0814  
Kim Baker • (314) 275-4954

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Chuck Caverly • (314) 566-0424  
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### WARD 4

Steve Borgmann • (314) 393-9448  
Norm Rhea • (314) 739-0096

## CITY OFFICIALS

### CITY ADMINISTRATOR

Tracey Anderson

### CITY CLERK

JoAnn Cova

### DIRECTOR OF FINANCE

Danielle Oettle

### DIRECTOR OF PUBLIC WORKS

Cliff Baber

### DIRECTOR OF COMMUNITY DEVELOPMENT

Mike Zeek

### INTERIM DIRECTOR OF PARKS AND RECREATION

Charlie Milligan

### CHIEF OF POLICE

Col. Bill Carson