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Contact: Jennifer Starkey
314-963-5302
starkeyj@webstergroves.org

City Releases Adopted Fiscal Year 2022 Budget

Webster Groves, Mo. — The City of Webster Groves today released its adopted budget for Fiscal Year 2022, which will begin on Thursday, July 1. The budget was adopted by the City Council in mid-June on a vote of six to one. The adopted budget can be viewed at webstergroves.org/budget or in person at the City Hall Office of the City Clerk or the Webster Groves Municipal Library.

“The budget is the financial roadmap for the City of Webster Groves, with projected expenditures of more than \$29 million,” said Marie Peoples, Webster Groves City Manager. “This year’s adopted budget is not ideal due to the lingering effects of the COVID-19 pandemic and continued increases of costs outpacing revenue. The reader will quickly note that the expenditures vastly surpass the revenues as they did in fiscal years 2021, 2020 and also 2018. The healthy reserves served as a budgetary stopgap during those years and will continue to do so this fiscal year. However, with careful planning for the future, I am confident that we will find fiscally responsible ways to move forward while continuing to serve the community.”

At next year’s end the City expects to have \$9,045,000 in reserved general revenue. Additionally, City of Webster Groves will receive an estimated \$4.6 million from the federal American Rescue Plan Act. That \$4.6 million is not accounted for in this budget, because it has not yet been received. It is anticipated that at least 50% of the American Rescue Plan Funding, \$2.3 million, will be received this fall.

The City of Webster Groves’ budget was negatively impacted by Covid-19 in 2020 and 2021 with the Rec Complex being closed for a portion of the year and then operating at 50 percent capacity. Additionally, the Aquatic Center was closed for the entire 2020 pool season. The greatest impact was felt by the loss of sales tax revenue.

Personnel costs including salaries and benefits are the largest expenditure in the budget and rising health insurance rates have had an impact. New positions to better meet community needs have been added to this budget and employees will receive a two-percent cost of living increase effective July 1. The budget contains an allocation of \$30,000 to conduct an Employee Compensation & Classification study. Local Governmental agencies typically conduct these sorts of surveys every 3 – 5 years to ensure market salary, equity between classifications, and equally important, equity within experience level, age, gender, and race. Having this information also assures salaries are competitive for optimal employee retention and recruitment of new staff. This is the first Employee Compensation & Classification study the City has conducted.

Other necessary expenses include updates to City Hall infrastructure and technology. Historically, City owned buildings have not received planned maintenance and necessary upgrades such as HVAC, roofs, security updates and other needs. In addition to necessary safety and technological improvements to the building, City employees are migrating from a legacy technology system to Office 365.

“The transition to Office 365 will allow employees to be more efficient in their daily work and in their interactions with customers,” said Peoples “Also, City staff pivoted during COVID-19 to allow for live-streaming of meetings. The technology migrations allow continued ease of access to City Hall through streamed and recorded meetings for public viewing.”

The City is committed to engaging in the difficult task of addressing immediate needs and long-term planning. Looking ahead to the next budget, the City will implement a full 5-year fiscal forecast to understand the true long-term implications of budgetary and personnel decisions made. This kind of forecast creates a beneficial tool for the Council and leadership to truly understand its capacity for capital plans, employee salary increases, and other structural costs. Webster Groves has not used this practice in the past and is now in a spot where it's absolutely necessary to move forward with robust strategic planning to maintain a healthy budget. Even with the budgetary challenges, the City remains well positioned to meet the needs of the community.

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