



**OFFICE OF THE MAYOR
CITY OF ST. LOUIS
MISSOURI**

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August 31, 2011

Mr. Leonard Toenjes
Chairman of the Rate Commission
of the Metropolitan St. Louis Sewer District
2350 Market Street,
St. Louis, Missouri 63103

Dear Mr. Toenjes:

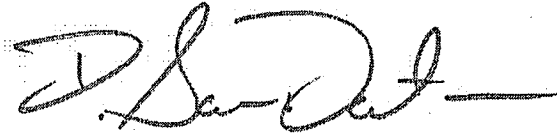
The challenging fiscal environment throughout the country has left the City of St. Louis, like many municipalities in the region, in the difficult position of balancing the needs of its residents against the fiscal demands of providing services and paying the City's employees. The City, for the third consecutive year, is contemplating a declaration of a fiscal crisis.

To address those challenges, City government has set in place measures to reduce personnel expenses, minimize overtime and suspend benefits. All of those measures directly impacted our employees.

- There have been no across the board pay increases since October, 2008
- Furloughs have been required of employees – (FY10, FY11 and pending for FY12)
 - 40 hours per annum for general service employees and
 - 80 hours per annum for managerial employees
- Shift differential pay for firefighters has been eliminated
- Vacation and holiday pay for firefighters has been reduced by 40 hours annual
- Longevity step increases for Police Officers and Firefighters have been suspended
- Increases in health insurance premiums are being shared equally with employees
- 475 positions (or 6.5%) have been eliminated since FY09
- Some positions are left unfilled for portions of the year

These decisions are never made lightly, but faced with dwindling reserve balances, increased costs and the necessity of essential City services, dramatic measures have been required to balance the City's budget.

Very truly yours,

A handwritten signature in black ink, appearing to read "D. Samuel Dotson", with a long horizontal flourish extending to the right.

D. Samuel Dotson
Director of Operations - City of St. Louis