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CITY OF SAINT PAUL

2023 Mayor's Proposed Budget



2023 Budget Overview

1. Staff introductions
2. Proposed budget context
3. Proposed budget gap and solution
4. Budget highlights
5. Property taxes and fees
6. Budget and property tax resources



Budget Staff

Tara Barenok, Budget Manager Police, Public Works, City Council	Madeline Mitchell, Lead Budget Analyst Capital Improvement Budget, Mayor's Office, Parks, Benefits, Legislative Liaison, Property Taxes, CAO, General Government, Library
Shannon Forney, Senior Budget Analyst	Bryan George, Senior Budget Analyst OTC, Emergency Management, Human Resources, HREEO, Public Health, DSI, Budget Game, Budget System Lead
Nichelle Bottko Woods, Budget Specialist	Mandelina Li, Capital City Intern
Libby Logsden, Budget Specialist Intern PED/HRA, OFS	

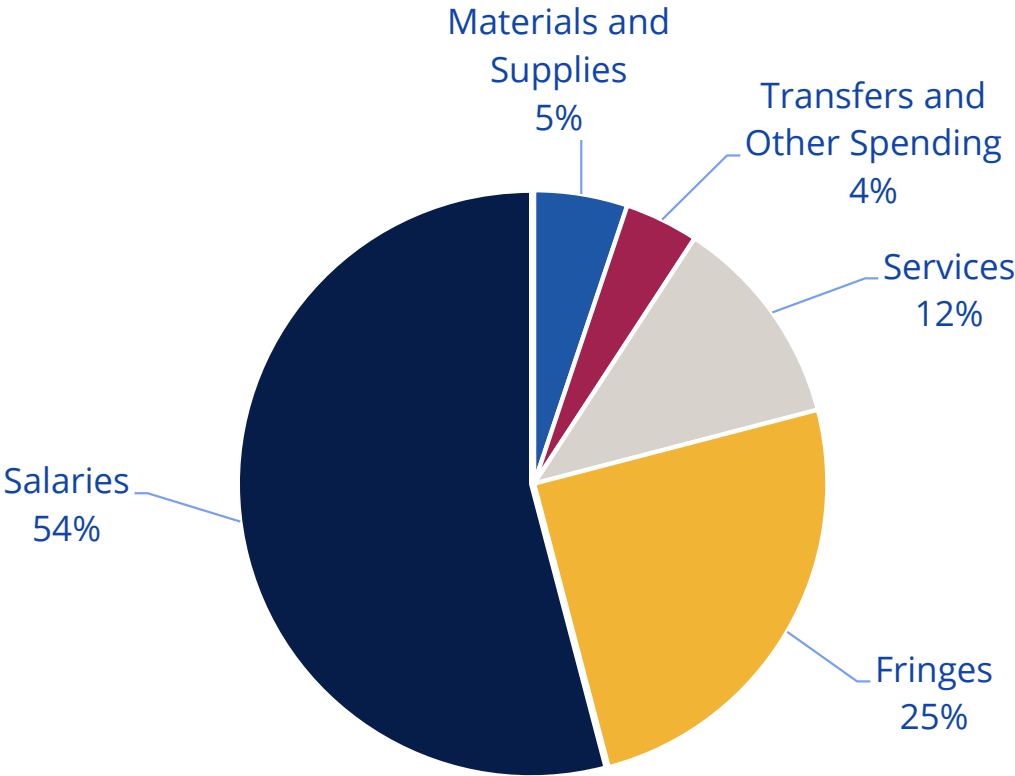


2023 Proposed Budget Context



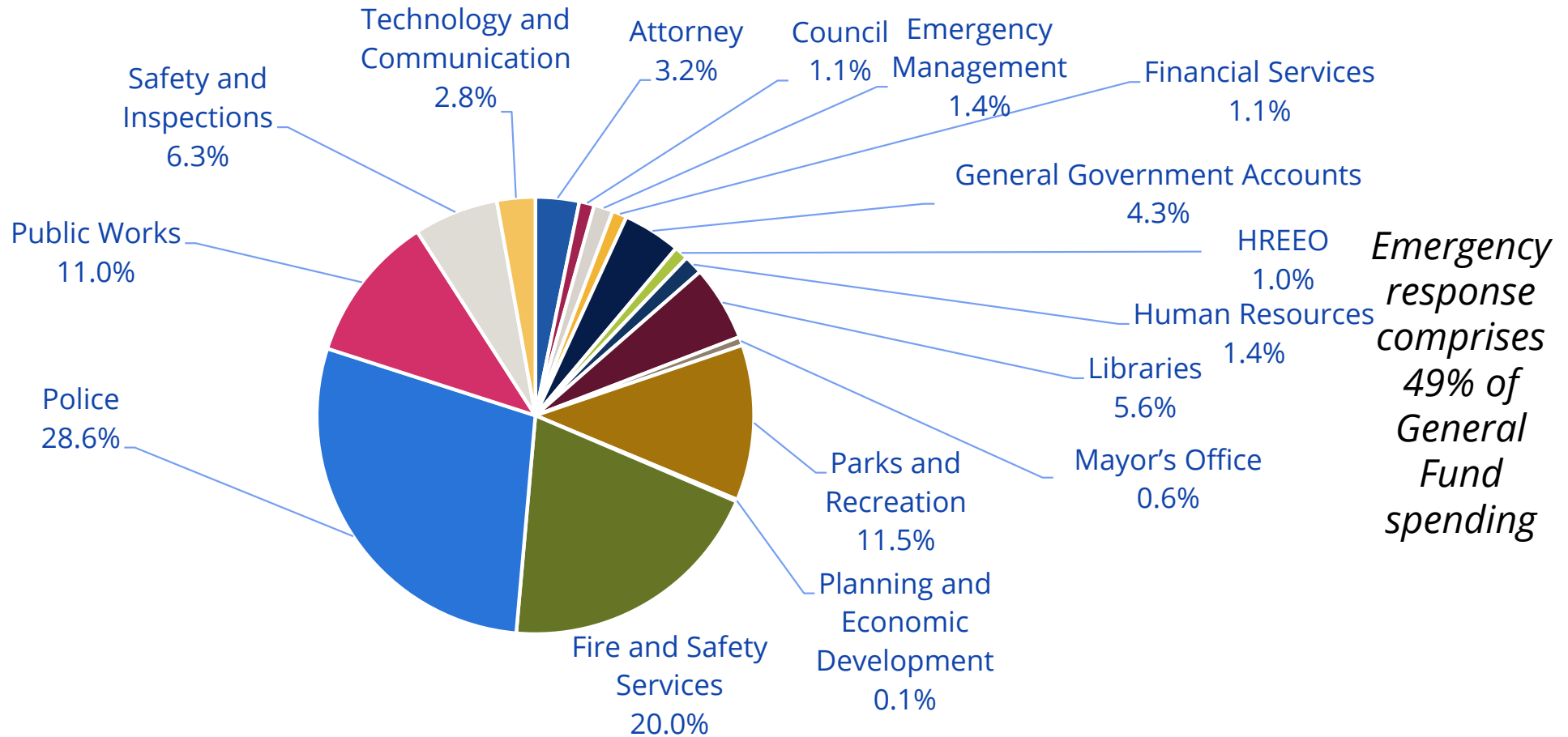
City and Library General Funds Budget 2023 Proposed Spending by Category (\$373.3 Million)

Employee expenses are 79% of general fund spending





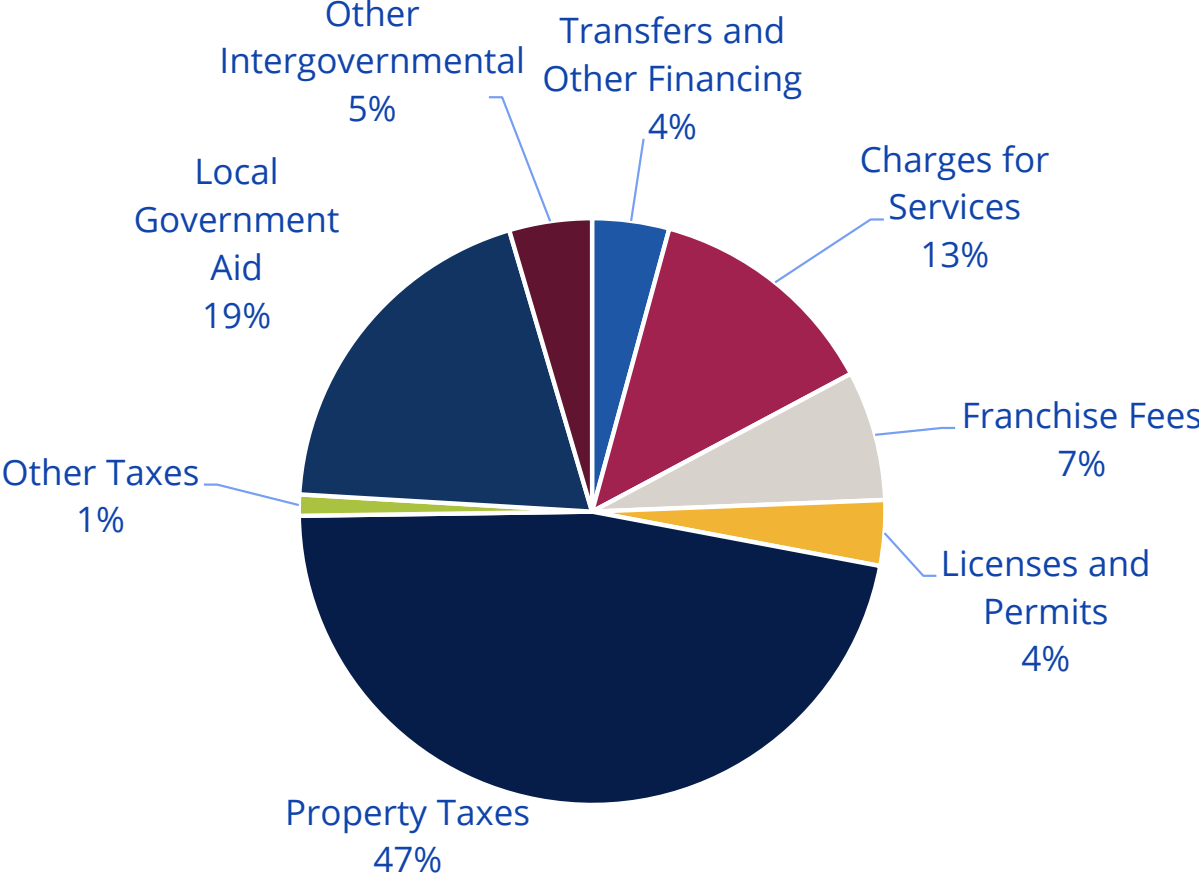
City and Library General Funds Budget 2023 Proposed Spending by Department (\$373.3 Million)





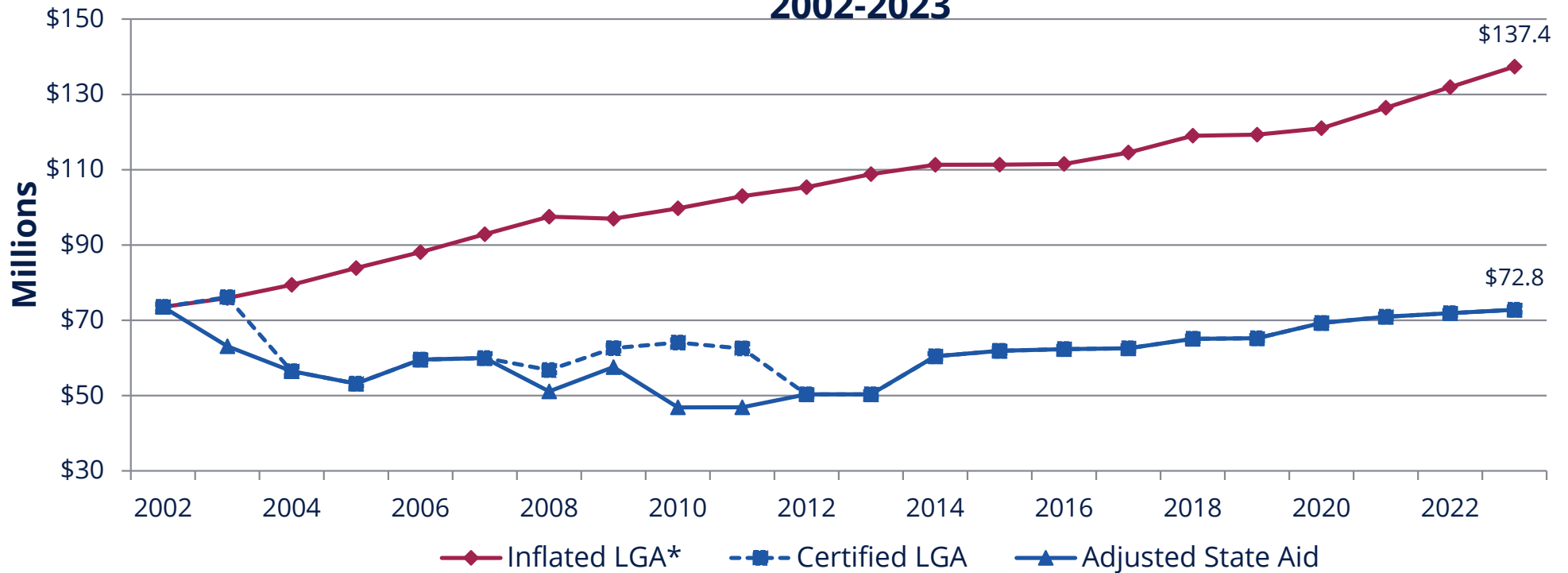
City and Library General Funds Budget 2023 Proposed Revenues by Source (\$373.3 Million)

Property taxes and LGA are about 66% of General Fund revenues





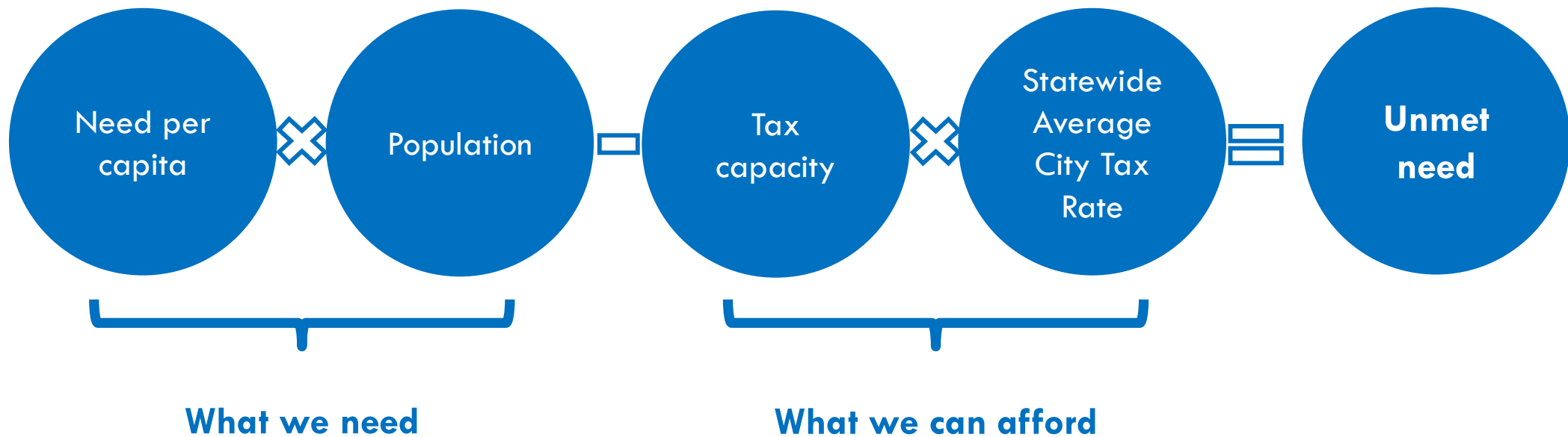
Saint Paul State Aid 2002-2023



*Inflated using the Implicit Price Deflator for State and Local Governments

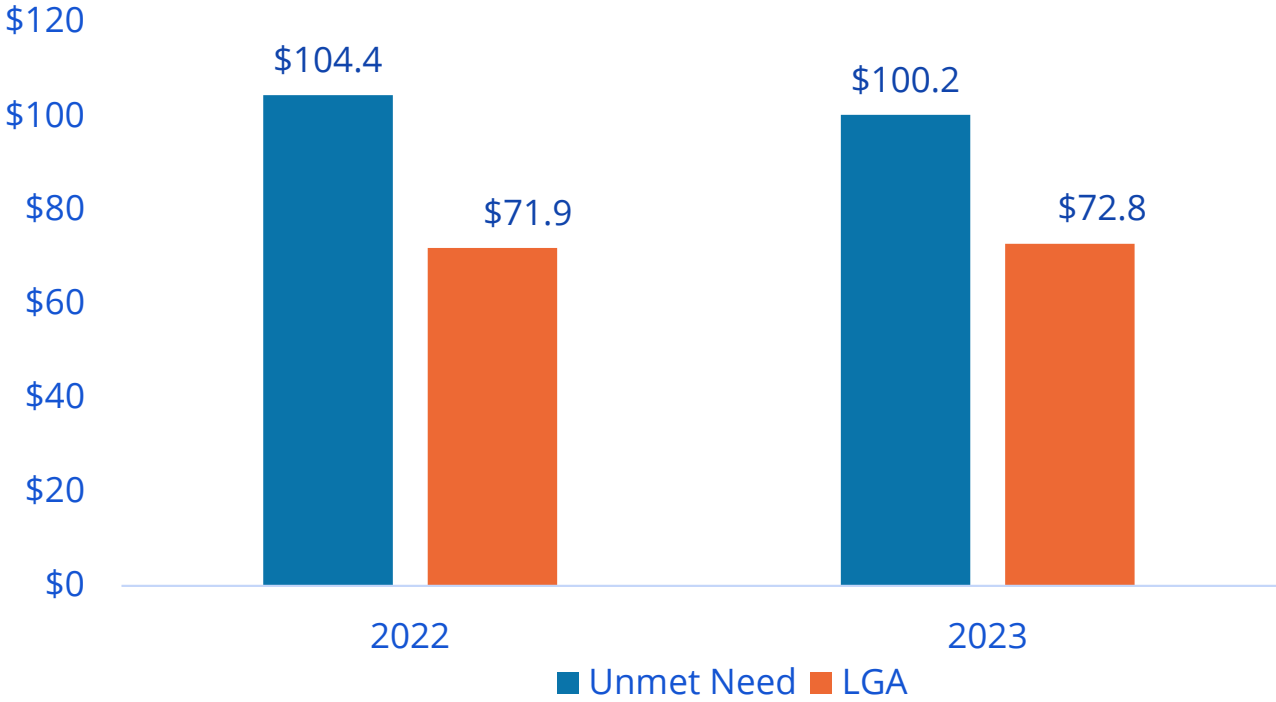


General Fund Budget Local Government Aid Formula





General Fund Budget Local Government Aid – Unmet Need



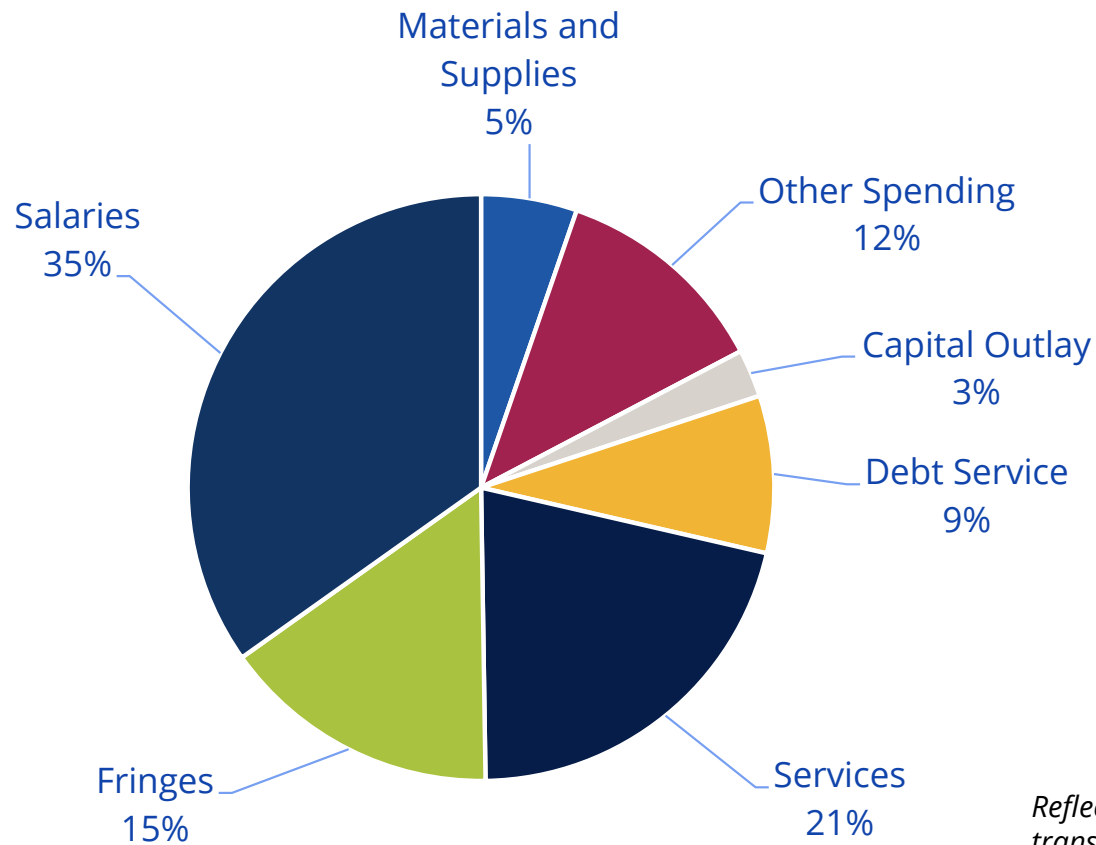
Saint Paul has the biggest gap (\$27.4 M) between unmet need and certified LGA



General and Special Funds Budget 2023 Proposed Spending by Category (\$781.5 Million)

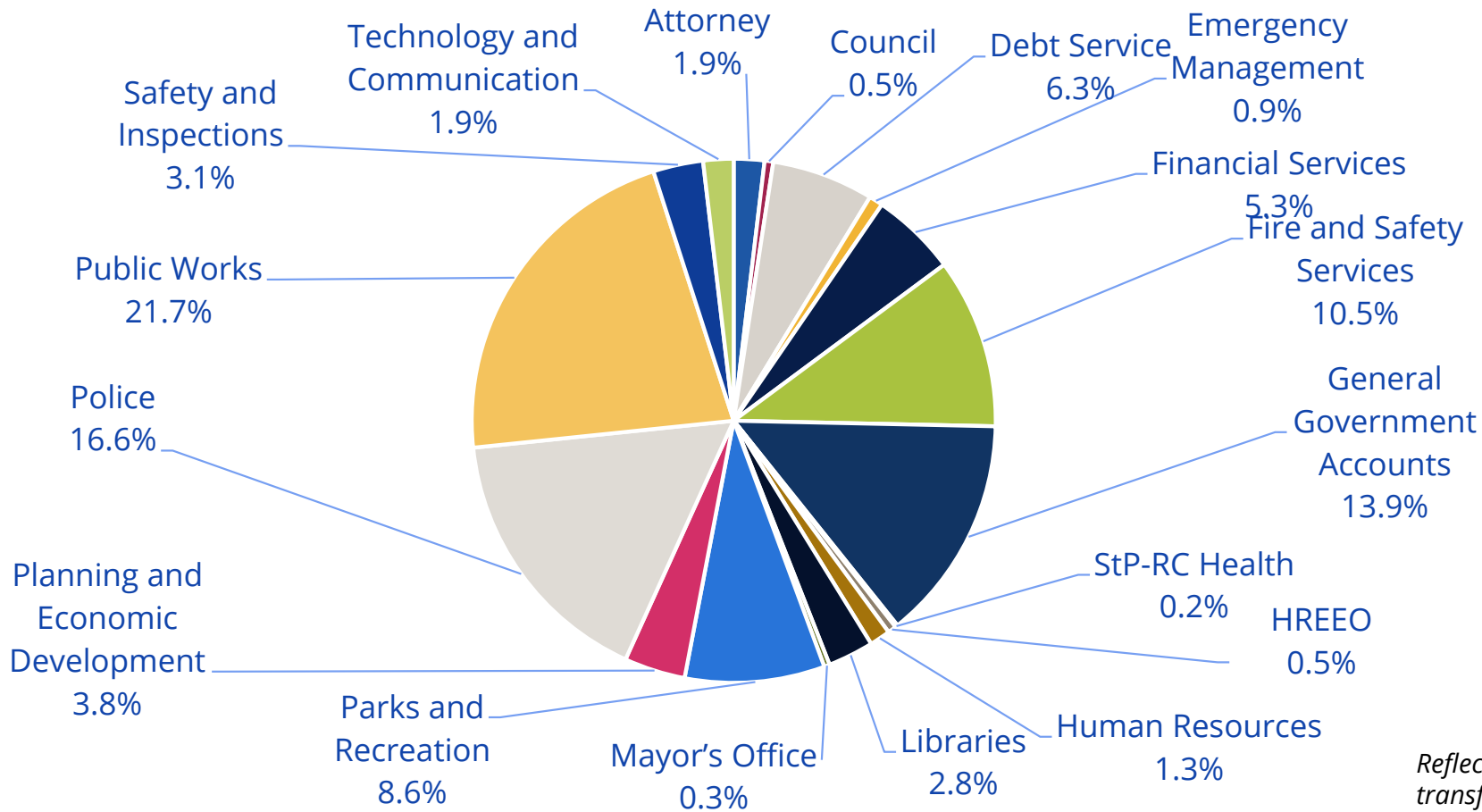
Employee expenses are 50% of general fund and special fund spending.

This view includes debt service and capital outlay – spending which is not seen in the general fund.





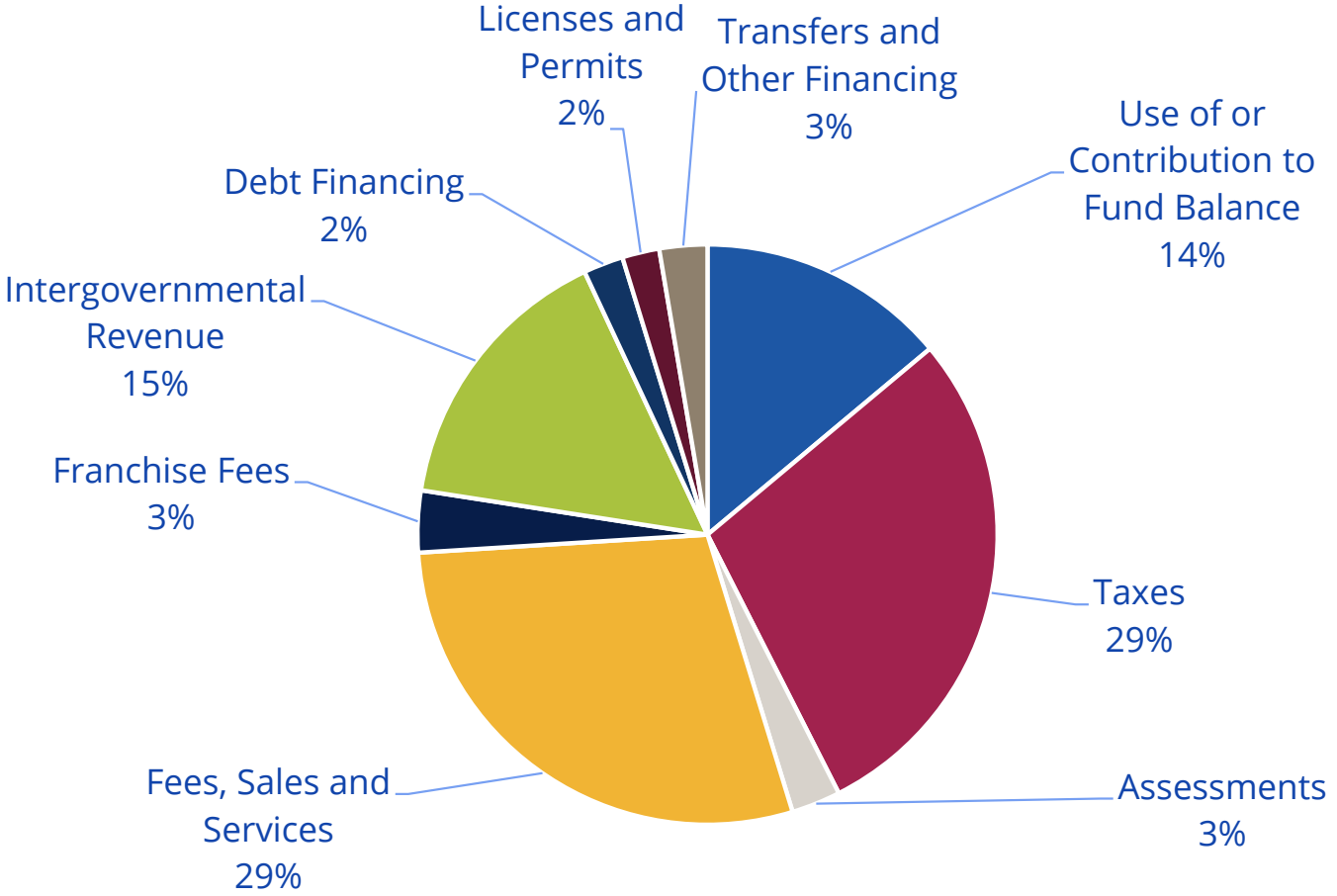
General and Special Funds Budget 2023 Proposed Spending by Department (\$781.5 Million)



Reflects reductions for transfers and subsequent years debt



General and Special Funds Budget 2023 Proposed Revenues by Source (\$775.9 Million)



Transfers and Other Financing: Transfers, interest, fines and forfeitures



2022 Adopted compared to 2023 Proposed

(dollars in millions, less transfers)

	2022 Adopted	2023 Proposed	Change from 2022	% Change from 2022
General Fund	331.7	362.5	30.8	9.3%
Special Funds	357.3	369.9	12.6	3.5%
Debt Fund	52.3	49.2	(3.1)	(9.7%)
Total Budget	741.3	781.5	40.2	5.4%



FTE's: 2022 Adopted compared to 2023 Proposed

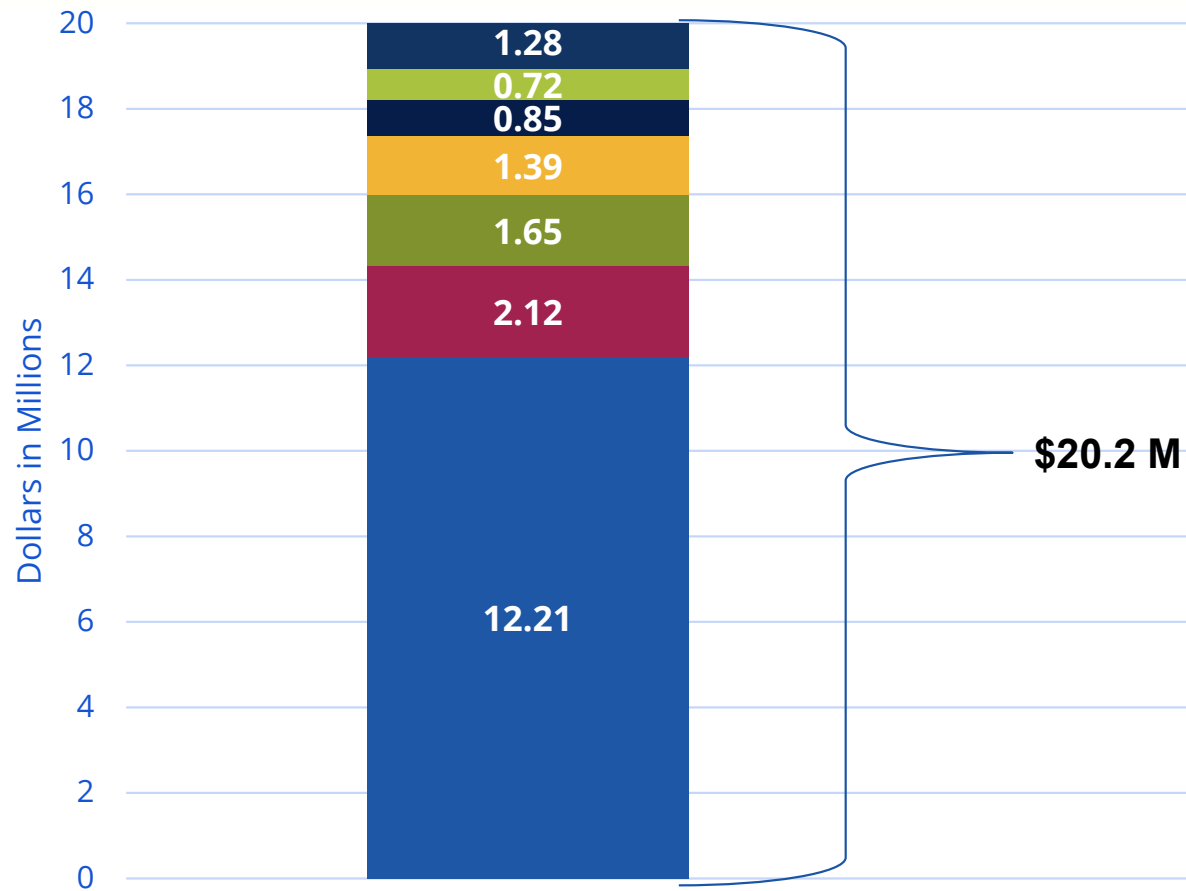
	2022 Adopted	2023 Proposed	Change from 2022	% Change from 2022
City - All Funds	2,855	2,906	51	1.8 %
Library - All Funds*	181	183	2	1.1%
Total Budget	3,036	3,089	53	1.8%



2023 Proposed Budget Gap and Solution



General Fund 2023 Budget Gap



■ Salaries and benefits

■ Library positions: shift from ARP, CDBG

■ Other

■ Revenue changes: ARP, one-time HRA

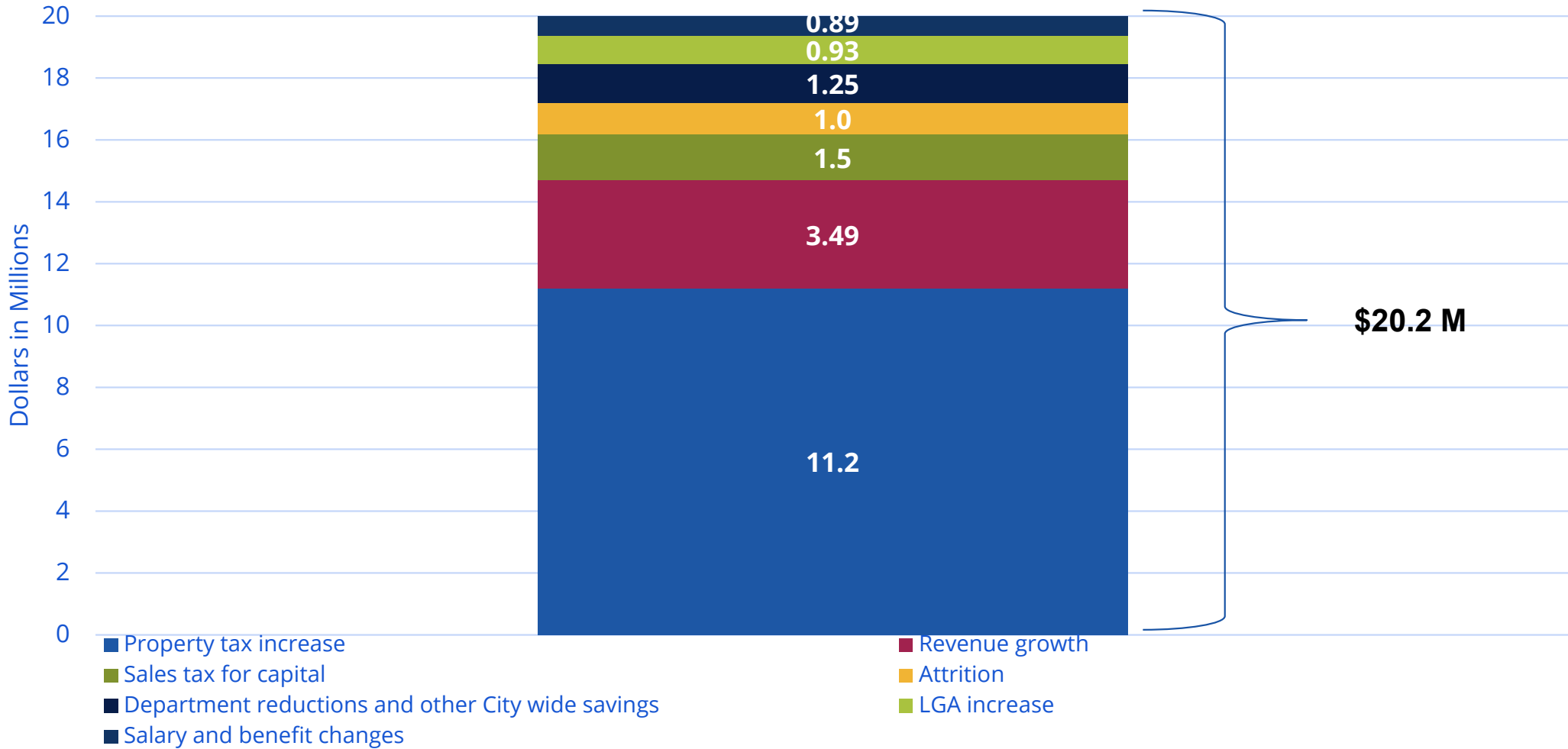
■ City-owned property assessments

■ Debt levy

■ Rent stabilization



General Fund 2023 Budget Solutions





Cost of Living: Assumptions and Settlements

	2021	2022
Assumed in budget	0%	1.5%
Actual experience	January 1 st : 1%	January 1 st : 2% July 1 st : 0.5% November 1 st : 2.5% (Police Sworn only)



General Fund Street Maintenance Program

	Amount (millions)
Street Maintenance Program expense: Street sweeping, standard lighting, and seal coating	\$15.3
Street sweeping covered by storm sewer	(\$2.0)
Property tax increase needed	\$13.3

Note: As the street sweeping function plays a vital role in keeping debris and hazardous waste out of the City's storm sewer system, the storm sewer budget will cover a portion of ongoing street sweeping expenses.



2023 Proposed Budget Highlights



Key Aspects of the 2023 Budget Proposal

- Property tax levy increase: 15.34% increase
 - 7.74% for the Street Maintenance Program
 - 7.6% for core operating budget
 - \$19.25 per month for the median value home
- Residential Mill and Overlay Program: \$4 million
- \$2.9 million in new investments



**\$706K
General Fund
Department
Reductions**

- Financial Services – position changes: \$103K
- Fire – Education Coordinator: \$83K
- Human Resources– office expenses: \$55K
- Human Rights and Equal Economic Opportunity – office expenses: \$38K
- Parks – reduce park permit season, Great River Passage (one-time): \$58K
- Public Works - cutting the budget for parking meter credit card fees, discontinuing printed parking meter receipts, removing signaled intersections when warranted by traffic studies, and other reductions to services and materials: \$357K



**\$2.9 Million in
General Fund
Investments**

- Office of Neighborhood Safety: \$701K for Project Peace (\$500K gun violence survivor wraparound services, \$25K youth and family trauma operating support) and 2 outreach staff
- Fire - 6 BLS/EMT FTE's: \$404K, supported by revenue
- Safety and Inspections - backlog reduction: Assistant Building Official, Building Inspector, Sheet Metal Inspector: \$389K, supported by revenue
- Planning and Economic Development - General Fund support: \$200K



Investments, continued

**\$2.9 Million in
General Fund
Investments**

- Library - 3 community service staff: \$176K
- Technology and Communications - Zendesk maintenance and enterprise training expansion: \$145K
- Police - body worn cameras: \$150K
- Public Works - traffic signal operations and preventative maintenance: \$120K
- Safety and Inspections – Homeless Assistance Response Team (HART) – Camp clean ups, supplies and team training: \$110K



Investments, continued

**\$2.9 Million in
General Fund
Investments**

- Fire - medical supplies: \$100K
- Other changes: \$371K
 - Human Rights and Equal Economic Opportunity - Labor Standards Investigator: \$96K
 - Parks -Community First Public Safety program growth: \$90K
 - Financial Services - Energy loan repayments: \$80K
 - Human Resources - Payroll Specialist: \$85K



**\$26.8 Million
General Fund
Revenue
Increase**

Increases due to policy changes

- Property tax increase of 15.34%:
 - \$13.3 million for Street Maintenance Program
 - \$13.1 million for core operating budget
- Reduced ARP transfer to the general fund for police attrition: \$1.77 million
 - Amount now built into the General Fund – part of the gap



**\$26.8 Million
General Fund
Revenue
Increase**

Increases due to policy changes, continued

- Safety and Inspections: \$1.4 million increase
 - Increase to building permit revenue: \$590K
 - Increase to plan review: \$234K
 - Increase to vacant building registration: \$138K
 - Increase to other fees: \$354K
 - Business licenses, certificate of commercial occupancy, 20 smaller increases less than \$50k each
 - \$579K funds investments in Safety and Inspections; remainder gap solutions



**\$26.8 Million
General Fund
Revenue
Increase**

Increases due to policy changes, continued

- Street Maintenance Program revenue: \$1.2 million
 - Sewer Fund contribution to street sweeping: increase of \$2 million
 - Street lighting fees: increase of \$900K
 - Moved from Street Maintenance Fund
 - Municipal state aid (MSA): \$198K
 - Trunk highway funds: \$79K
 - County road aid: \$80K
 - Antenna site rental: \$100K
 - Damage claims: \$100K
 - Reduction of transfers: \$2.3 million



**\$26.8 Million
General Fund
Revenue
Increase**

**Increases due to policy changes,
continued**

- Increased Fire fees: \$790K total
 - Basic life support: \$404K – supports 6 new positions
 - Lift support: \$386K – gap solution
- Reduced one-time transfer from the Housing Redevelopment Authority for graffiti and bike/pedestrian safety: \$350K



**\$26.8 Million
General Fund
Revenue
Increase**

**Increases due to volume increases
or decreases**

- Increased local government aid: \$930K
- Increased interest: \$635K
- Increased hotel/motel tax: \$533K
- Increased Xcel Energy franchise fee: \$500K
- Reduced indirect cost recovery: \$409K



**\$26.8 Million
General Fund
Revenue
Increase**

**Increases due to volume increases
or decreases, continued**

- All other increases: \$711K
 - Pay back of delinquent taxes, other franchise fees, fire insurance premium surcharge
- All other decreases \$185K
 - Hazardous materials response, continuance for dismissal, parks permit revenue



Inheritance Fund

Down Payment Assistance (DPA) Program

- Regular fund: will continue to provide up to \$40,000 for income-qualifying homebuyer
- Inheritance fund: will offer \$50,000 - \$60,000 in additional DPA to qualifying Rondo descendants
- Funded through the Housing Trust Fund (HTF) and leveraged Minnesota Housing funding
 - Last funding authorization was in 2019 for \$2M, funds anticipated to be spent down by end of 2022
 - Staff will request additional HTF authorization for the DPA program later this year
 - Staff plans to request additional MN Housing funding in 2023

Homeowner Rehab Program

- Regular fund: will continue to provide up to \$25,000 for income qualifying homeowners
- Inheritance fund: will offer \$25,000 - \$35,000 in additional rehab funds to qualifying Rondo descendants
- Funded through Community Development Block Grant (CDBG)



ARP Phase Off Plan: Budget Stabilization

Item	2022 Adopted	2023 Proposed	2024 Planned	2025 Planned	Total
Safety and Inspections: unsheltered positions	\$312K	\$0	\$0	\$0	\$312K
Police attrition	\$1.771M	\$0	\$0	\$0	\$1.771M
Library FTE restoration	\$1.038M	\$0	\$0	\$0	\$1.038M
Parks FTE restoration	\$1.132M	\$1.224M	\$0	\$0	\$2.355M
Police academy pilot	\$1.035M	\$1.035M	\$0	\$0	\$2.070M
Budget stabilization: Mill and Overlay	\$3.332M	\$3.332M	\$1.913M	\$0	\$8.578M
Total, ARP budget stabilization	\$8.620M	\$5.591M	\$1.913M	\$0	\$16.124M
Annual reduction in amount to the General Fund	\$0	\$3.121M	\$3.678M	\$1.913	\$8.712M

These are planned amounts supported by the general fund, actual changes may vary.



Major Revenue Sources (Dollars in Millions)

	2022 Adopted	2023 Proposed
G.O. Capital Improvement Bonds	\$11.7	\$22.3
G.O. Street Reconstruction Bonds	\$15.0	\$16.5
Municipal State Aid	\$13.5	\$11.9
Community Development Block Grants	\$4.0	\$4.0
Sewer Revenue Bonds*	\$8.0	\$8.0
G.O. Library Bonds	-	\$7.1
Sales Tax Revenue Bonds	-	\$26.1

Mayor's Proposed Capital Improvement Budget
and Program: Pages 5-6

*Budgeted in Sewer operating budget



Capital Program Highlights

**\$24,000,000
of Deferred
Capital
Maintenance**

- Sales Tax Revenue Bonds: \$26.1 million
 - North End Community Center: \$16 million
 - Fire Station 7: \$8.1 million
- G.O. Street Reconstruction Bonds: \$16.5 million
 - \$4 million ongoing increase for mill and overlay
- G.O. Library Bonds: \$8.169 million
- Full presentation on October 5



2023 Property Tax and Fee Impact



Sanitary and Storm Sewer Rates

	2022 Budget	2023 Proposed	% Change
Sanitary sewer: base fee	\$3.00/month	\$3.00/month	0%
Sanitary sewer: volume charge	\$4.79/ccf	\$4.96/ccf	3.5%
Storm Sewer: one and two family residential	\$108.60/year	\$112.40/year	3.5%

Total residential change: \$14

These increases cover:

- Increases for Metropolitan Council Environmental Services (MCES) charges



Solid Waste and Recycling Rates

	2022 Budget	2023 Proposed	% Change
Residential waste collection	\$29	\$33	15.1%
Single family recycling	\$60	\$69	15.0%
Multi-Family recycling	\$38	\$44	15.0%

Total residential change: \$13

These increases cover:

- Contract cost increases
- Organized trash collection: City taking on billing and customer service
 - Printing and Mailing Costs for customer invoices
 - One customer service position
 - Other costs



Taxes and Fees on a Typical Home

	2022 Budget	2023 Proposed
Property tax – City share only	\$1,017	\$1,248
Net change in property tax		\$231
Street Maintenance Service Program	\$101	\$0
Sanitary sewer charges	\$323.40	\$333.60
Base fee (no increase)		\$0
Volume fee (3.5% increase)		\$10
Storm sewer charges (3.5% increase)	\$105	\$109
Recycling fee	\$60	\$69
Residential waste collection	\$29	\$33
Total direct billing for City services	\$1,635	\$1,793
Net change in direct billing		\$158
Water charges: Saint Paul Regional Water Services	\$333	\$381
Grand total for all City services	\$1,948	\$2,174
Net change grand total		\$226

\$261,800

Median home value
in 2023, a 14% increase
over 2022

\$228,700

Median home value
in 2022

\$226

Net change in city
taxes and fees

Tax impact based on preliminary information from Ramsey County, subject to change



Budget and Property Tax Resources

- City of Saint Paul Budget:
 - Current and previous year budget documents
 - <http://www.stpaul.gov/budget>
- Open Budget Portal:
 - Downloadable budget data and interactive charts, graphs, and tables – in progress
 - <http://budget.stpaul.gov>