

City Council 2023 Budget Priorities

December 7, 2022



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MINNESOTA

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Agenda

- Budget Process
- Council Budget Priorities
- City Budget
- Property Taxes
- Council Budget Changes



Budget Process



City Council identifies key priorities



The Mayor collects feedback from the community, departments and City Council to develop a budget proposal



The Mayor presents the Budget Proposal in mid-August



The City Council reviews the Mayor's proposed budget. Public Meetings are held to gather community feedback.



Following the budget review and feedback from the community, the council will work with the Mayor on final budget revisions



City Council adopts the budget



City Council Shared Policy and Budget Priorities



Supporting economic growth and development



Expanding and preserving affordable housing



Improving neighborhood safety and eliminating gun violence



Ensuring equitable and responsible use of city resources



Providing excellence in city and constituent service



Integrating climate action resilience strategies



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%



Proposed Property Tax Levy Distribution

	2022 Adopted	2023 Proposed	Amount Change	% Change
City of Saint Paul				
General Fund	134,291,788	157,244,425	23,024,637	17.2%
General Debt Service	20,016,192	21,648,845	1,632,653	8.2%
Saint Paul Public Library Agency	18,774,155	21,017,604	2,243,449	11.9%
Total (City and Library Combined)	173,010,135	199,910,874	26,900,739	15.5%
Port Authority	2,361,700	2,361,700	-	0.0%
Overall Levy (City, Library, & Port)	175,371,835	202,272,574	26,900,739	15.3%



Roles in Government and Property Taxes

STATE

- Sets property tax policy
- Establishes property classes & rates
- Determines state aid
- Determines underfunded mandates to local governments
- Levies state business tax

COUNTY

- Values property
- Determines proper classification
- Sends valuation notices to taxpayers
- Determines each taxing jurisdiction's total tax capacity (tax base)
- Calculates proposed and final tax rates
- Prepares and mails out property tax statements
- Collects property tax payments
- Distributes property tax receipts to each taxing jurisdiction

CITY

Office of Financial Services

- Determines city budget
- Calculates impact to taxpayers
- Certifies levy limit to the County
- Real Estate send county assessment roles to be added to tax statement

City Council

- Sets levy limit
- Holds budget hearings
- Holds a truth in taxation public hearing
- Adopts the city budget



Why does my property tax bill change?

- Market value changes in your property
- Market value changes in other properties
- Legislative changes
- Local taxing jurisdictions levy change

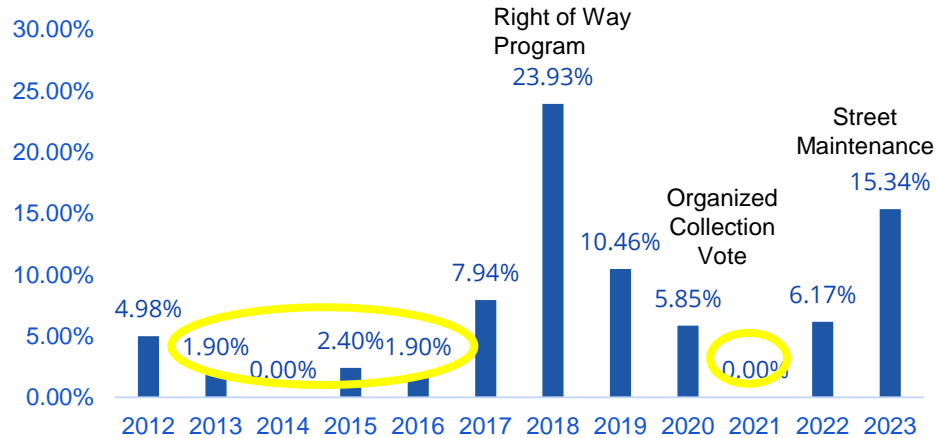
*MN Department of Revenue Programs to assist-

Senior Deferral program

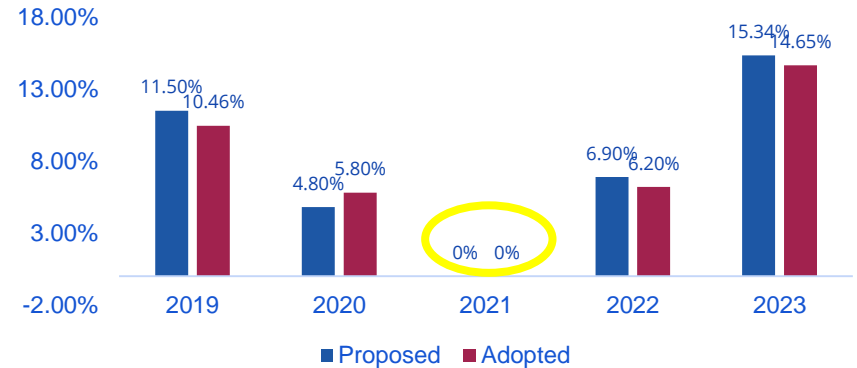
Homeowners Refund program



City of Saint Paul Budget Levy % Increase



Proposed Levy Change vs Adopted Levy Change



- Historically the levy has not been increased to match with inflation.
- The City Council has a strong track record of lowering the initial levy increase amount.
- There has been recent court rulings that have shifted fees into the tax.



City Council Changes

Reductions \$1.6M

- Property tax levy reduction: \$1,185,000, or 14.65% increase from 2022
- Reduction of City Council Community Organizations Partnership Program \$(105,000)
- Reduction of Office of Neighborhood Safety services \$(350,000)

General Fund changes 330,00

- Library safety initiative: \$320,000
- Reparations staff: Repurpose a vacant city council FTE - budget neutral change
- Free swimming: Match private donations to provide 500 free swimming sessions \$10,000

One-time Capital expansion \$1.3M

- Anti-theft streetlight initiatives: \$355,991
- Vegetation management: \$469,684
- Bike and pedestrian improvements: \$480,000



Key Priorities Identified during the Budget Process

- Find efficiencies to find cost savings
- Review fees and cost recovery, residential vs. non-resident
- Evaluate contracts and JPA's with other municipalities to confirm cost sharing
- Federal Funding – Infrastructure Bill and ARP
- Legislative agenda – Local Government Aid
- Expiring TIF Districts and Planning
- Parks and Recreation 5-year Plan
- Capital improvement deferred maintenance plan