



CITY OF SAINT PAUL

# 2023 Budget and Property Tax Overview

Truth in Taxation Hearing  
December 6, 2022



# 2023 Budget Overview

1. 2023 Budget Overview
2. Property Taxes
3. Impact on Typical Home
4. New Supplemental Budget Information
5. Council Changes
6. Resources



# 2022 Adopted compared to 2023 Proposed

(dollars in millions, less transfers)

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



# Highlights of 2023 Budget Proposal

- Focus on addressing \$34.8 million gap and continued pandemic recovery
  - May court decision resulted in \$13.3 million additional property tax demand
- City and Library Property tax levy increase: 15.34% increase
  - 7.74% for the Street Maintenance Service Program
  - 7.6% for core operating budget
  - \$23 per month for median value home
- SMSP costs moving to the general fund are \$15.3 million, including sweeping costs covered by \$2 million of sewer revenues
- Capital Improvement Budget: \$24 million in deferred capital maintenance
- Continued funding for North End Community Center, Fire Station 7, and Hamline Midway Library: \$34.3 million from 2022-23



# SMSP Fees Moved to Property Tax

Property Frontage	2022 Annual Amount
40-foot Residential Lot	\$103
60-foot Residential Lot	\$155
80-foot Residential Lot	\$206
40-foot Arterial Lot	\$70

- All properties will no longer pay these fees
- Assumes 2022 rates would have remained in effect in 2023: there were 4-6% in 2022 – so these bills would have been higher in 2023 if the program continued
- Assumes alley and street linear footage were equal
- 2022 Arterial sweeping rates were \$1.04 per foot, compared to \$0.41 per foot on other types of roads
- Assumes the Residential property had a seal coat
- Based on 2022 estimated rates from Office of Financial Services-Real Estate from April 2022



# 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%
<b>Total (City and Library Combined)</b>	<b>173,010,135</b>	<b>199,910,874</b>	<b>26,900,739</b>	<b>15.5%</b>
Port Authority	2,361,700	2,361,700	-	0.0%
<b>Overall Levy (City, Library, &amp; Port)</b>	<b>175,371,835</b>	<b>202,272,574</b>	<b>26,900,739</b>	<b>15.3%</b>



# Proposed Taxes and Fees on a Typical Home (Annual)

	2022 Budget	2023 Proposed
Property tax – City share only	\$1,017	\$1,288
<b>Net change in property tax</b>		<b>\$271</b>
Street Maintenance Service Program	\$103.15	\$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)	\$108.60	\$112.40
Recycling fee	\$60.20	\$69.20
Residential waste collection	\$28.70	\$33.00
Total direct billing for City services	\$1,641	\$1,836
<b>Net Change in Direct Billing</b>		<b>\$195</b>
Water charges: Saint Paul Regional Water Services	\$333.44	\$380.88
Grand total for all City services	\$1,974	\$2,217
<b>Net change grand total</b>		<b>\$243</b>

**\$266,300**

Median home value  
in 2023, a 16% increase  
over 2022

**\$228,700**

Median home value  
in 2022

**\$243**

Net change in city  
taxes and fees



# 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

## **Programs to assist**

Homeowner refund program

Senior deferral program





# City Council Changes

## Reductions \$1.6M

- City Council identified \$1,185,00 savings
- Reduction of City Council Community Organizations Partnership Program \$(105,000)
- Reduction of Office of Neighborhood Safety services \$(350,000)

## General Fund Changes \$330,000

- Library safety initiative \$320,000
- Reparations staff, repurpose a vacant city council FTE - budget neutral change
- 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



# New Supplemental Budget Information

- In 2022, a new requirement in state law requires inclusion supplemental budget information from Counties, Cities and School Districts
- This information is included in the parcel-specific TNT notices as a separate page
- The format is set in state law
  - The format follows an existing report the City prepares for the State Auditor
  - As implemented, the supplemental budget information page does not allow for notes



# Supplemental Budget Information: Expenditures

<b>Expenditures</b>			
General Government	54,970,734	66,149,722	20.34%
Public Safety	228,214,318	241,484,509	5.81%
Streets and Highways	51,018,054	59,731,031	17.08%
Sanitation	11,270,615	12,755,029	13.17%
Human Services	-	-	-
Health	1,487,354	1,398,186	-6.00%
Culture & Recreation	74,351,747	81,840,960	10.07%
Conservation of Natural Resources	-	-	-
Economic Development & Housing	9,750,554	63,025,852	546.38%
All Other Expenditures	96,349,518	106,360,948	10.39%

Note: The increases on this page include American Rescue Plan funding. Note: The increases on this page include American Rescue Plan (ARP) funding. The Economic Development and Housing line includes about \$53 million in ARP funding.



# Supplemental Budget information: Expenditures without ARP

	2022 Adopted	2023 Proposed without ARP	2023 % Change without ARP
General Government	54,970,734	54,045,277	-1.68%
Public Safety	228,214,318	231,949,509	1.64%
Streets and Highways	51,018,054	48,826,345	-4.30%
Sanitation	11,270,615	12,755,029	13.17%
Human Services	-	-	-
Health	1,487,354	1,198,186	-19.44%
Culture and Recreation	74,351,747	76,668,767	3.12%
Conservation of Natural Resources	-	-	-
Economic Development and Housing	9,750,554	10,110,534	3.69%
All Other Expenditures	96,349,518	95,860,948	-0.51%



# 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
  - <http://budget.stpaul.gov>
- City Council Budgeting and Financial Planning  
<https://www.stpaul.gov/councilbudgeting>