



Saint Paul Minnesota
The most livable city in America

2019 Proposed General Fund Budget Presentation to the City Council

August 22, 2018
Department of Safety & Inspections

Financial Summary

Spending	2018 Adopted	2019 Proposed	% Change	FTEs
General Fund	19,371,311	20,589,164	6.3%	151.62

Financing	2018 Adopted	2019 Proposed	% Change	
General Fund	17,371,141	18,223,692	4.9%	

Significant General Fund Investments in Previous Cycles		
2018	Staffing increased by 0.5 FTE for a DSI Inspector II for increased enforcement of Short Term Rentals, offset by respective revenue increases.	37,644
2018	Revenue reductions included adjustments due to volume decreases, assessment collection decreases, and an elimination of a department transfer no longer needed.	(529,356)

Summary of 2019 Budget Changes

Spending Changes	Total Cost
Grounds maintenance-summary abatement	(\$350,000)
Facility debt payment ending	(\$67,465)
1 FTE Building Plan Review (SAC)	\$72,565
1 FTE Administrative Citation Coordinator	\$103,361
Contract Hearing Officer (administrative citations)	\$15,000
1 FTE Building Inspector	\$140,940
1 FTE HVAC Inspector	\$153,931
Total New Spending:	\$485,797
Net Spending Change:	\$68,332

Summary of 2019 Budget Changes

Revenue Volume Adjustment

Vacant Building Code Compliance	(50,000)
Vacant Building Registration	(30,000)
Assessments Revenue Reduction	(300,000)
Building Permits	200,000
Plan Review	100,000
	(80,000)

Revenue Policy/Rate Changes

Building Permits - 3% across the board increase	280,000
Business License targeted Increases	49,151
Plan Review - 3% across the board	70,000
Administrative Citations	250,000
SAC Revenue Increase	33,400
	682,551

Net Revenue Change

602,551

Revenue Increases – Building Permits & Plan Review

3% Increase \$350,000

2019 DSI Budget-Potential Building Permit Fee Increase

	Saint Paul	Saint Paul plus 3%	Minneapolis	Rochester	Duluth	Bloomington
\$500	\$30.95	\$31.88	\$36.00	\$25.00	\$27.78	\$76.06
\$1,000	\$51.20	\$52.74	\$58.00	\$35.00	\$45.68	\$85.15
\$5,000	\$146.67	\$151.07	\$162.60	\$82.00	\$129.63	\$114.63
\$25,000	\$513.47	\$528.87	\$566.60	\$262.00	\$450.63	\$389.63
\$100,000	\$1,302.09	\$1,341.15	\$1,451.60	\$649.50	\$1,138.88	\$986.13
\$500,000	\$4,253.88	\$4,381.50	\$4,731.60	\$2,049.50	\$3,710.88	\$3,185.88
\$1,000,000	\$7,348.74	\$7,569.20	\$8,131.60	\$3,249.50	\$6,430.88	\$5,523.38
\$5,000,000	\$26,388.74	\$27,180.40	\$30,131.60	\$11,549.50	\$21,310.88	\$17,643.38

Spending Reductions

Description

Reduce Grounds Maintenance Service expense budget in the Summary Abatement division from \$1,200,000 to \$850,000.

General Fund Amount	FTE Reduction <i>(if applicable)</i>
(\$350,000)	

How would this reduction impact the department's ability to meet their strategic goals?

This reduction aligns the budget with actual spending trends. It does not represent a change in service from the level of work that has been performed by DSI for the last several years.

Spending Reductions

Capture Debt Service Savings

Description	
Capture savings from facility debt payment ending	
General Fund Amount	FTE Reduction <i>(if applicable)</i>
(\$67,465)	
How would this reduction impact the department's ability to meet their strategic goals?	
When DSI relocated to the 375 Jackson Street office, the City borrowed money for renovations to the new office space. DSI's annual budget has included debt service costs for that borrowing. The debt will be paid off in 2018. The 2019 proposed budget eliminates the debt service payment.	

Spending Increases

2.0 FTE Construction Services

Fiscal Impact				FTEs	Funding
General Fund		Special Fund		Additional (if applicable)	One-time (yes/no)
Spending	Revenue	Spending	Revenue	2.0	No
\$294,871					

Description

- Saint Paul has accumulated over 60,000 uninspected or unapproved construction permits since 2008
- DSI pilot project began in 2016 in plumbing section
 - Began contractor and property owner education
 - Hired temp plumbing inspector
- Pilot Project intervention successful
- Need is greatest for Building Permits and Warm Air Permits

Which of the Mayor's strategic objectives does this proposal support?

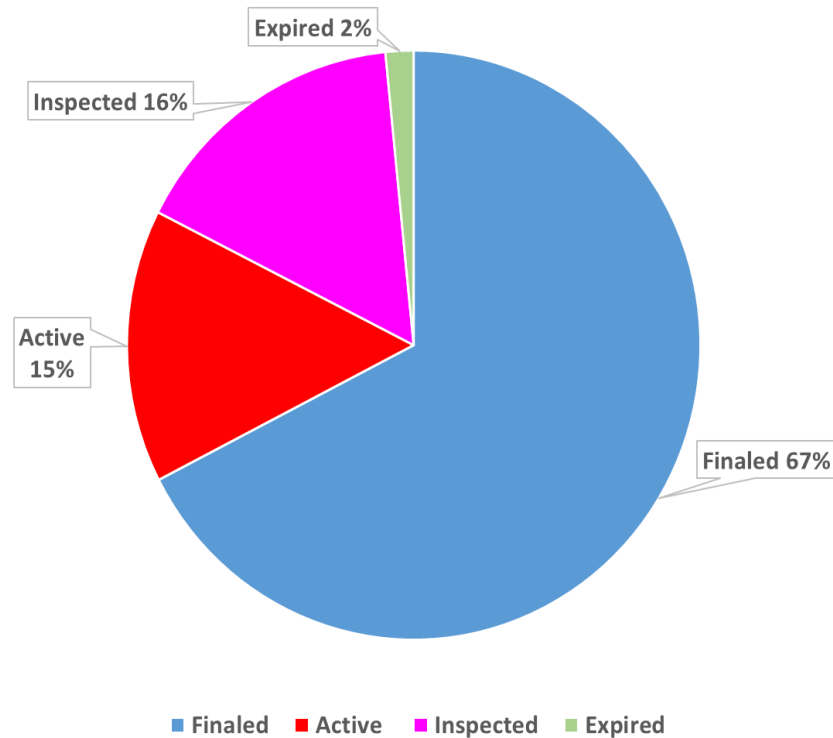
Economic Justice	Lifelong Learning	Community-first Public Safety
		X

Department Strategic Objective

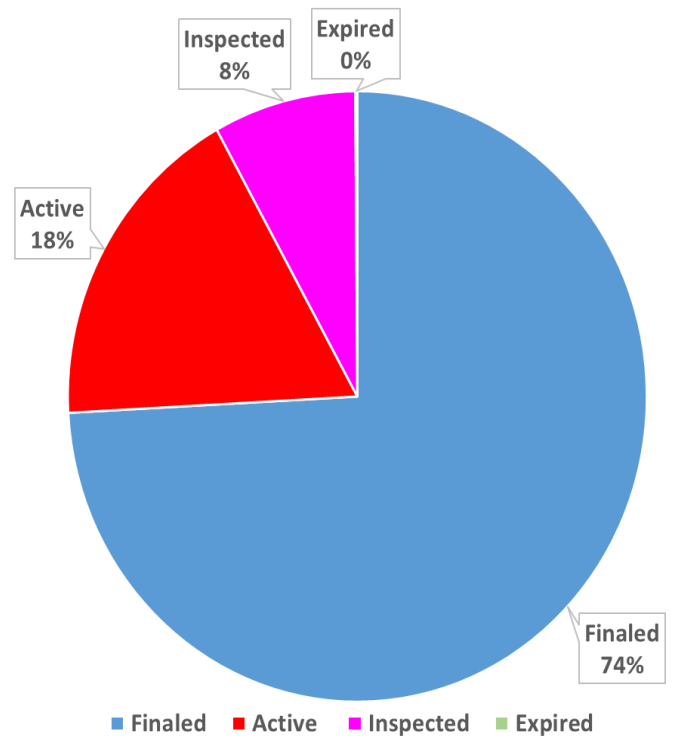
Prevent Life and Property Loss

2.0 FTE Construction Services

Historical Building Permit Results (2010-2017)

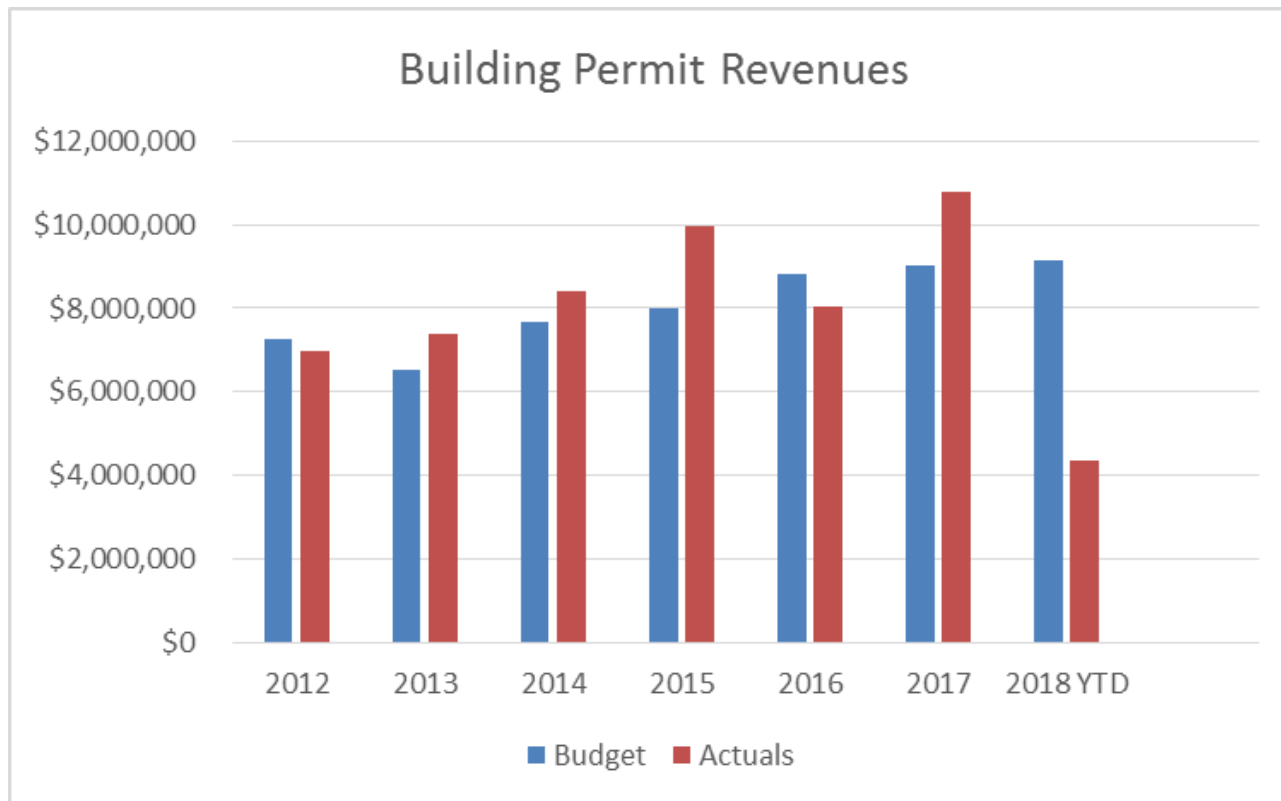


Historical Warm Air Permit Results (2010-2017)



2.0 FTE Construction Services

- Financing Strategy-Volume & Fee Increase



Spending Increases

1.0 FTE Building Plan Review

Fiscal Impact				FTEs	Funding
General Fund		Special Fund		Additional (if applicable)	One-time (yes/no)
Spending	Revenue	Spending	Revenue	1.0	No
\$72,565	\$33,400				

Description
- DSI Building Plan Review staff review and administer Sewer Availability Charges (SAC) for construction projects - Significant savings to business owners in Saint Paul -\$411,515 in 2015 -\$383,985 in 2016 -\$525,025 in 2017 - Regular workloads increasing and customer service declining

Which of the Mayor's strategic objectives does this proposal support?		
Economic Justice	Lifelong Learning	Community-first Public Safety
X		

Department Strategic Objective	Ensure equity/Help operate businesses
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1.0 FTE Building Plan Review

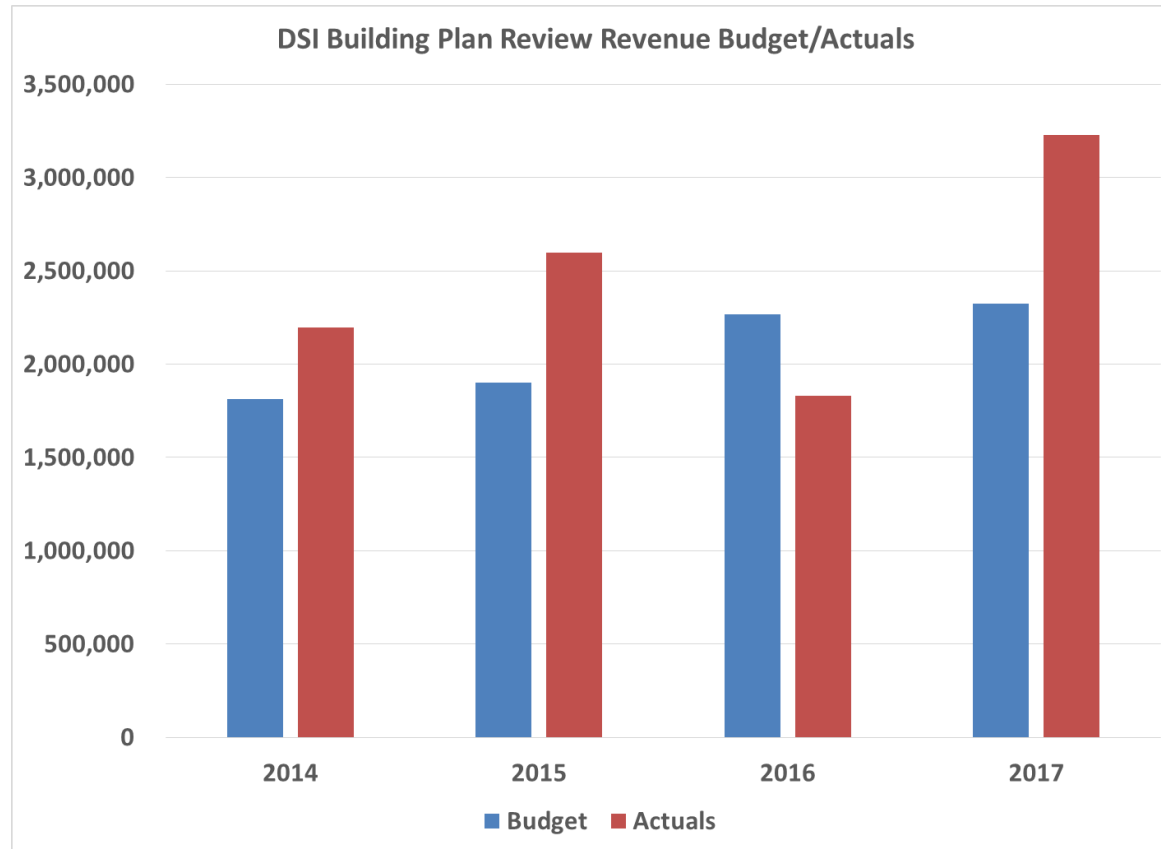
- Financing Strategy-Fee Increase

Municipality	Administrative SAC Fee
Rosemount	\$1,200
Lakeville	\$775
Hastings	\$708
Maple Grove	\$695
White Bear Twnp.	\$600
Burnsville	\$543
Farmington	\$540/unit
Shakopee	\$475/unit
Apple Valley	\$343

- Current Flat Fee Structure**
 - 1-10 charges = \$135
 - 11-30 charges = \$270
 - 31+ charges = \$400
 - 2017 Revenue = \$48,675
- Proposed Flat Fee Structure**
 - 1-10 charges = \$175 (30% increase)
 - 11-30 charges = \$600 (122% increase)
 - 31+ charges = \$1,500 (275% increase)
 - Proposed (2017) = \$82,125 (\$33,400 new revenue)
- Proposal reviewed and received preliminary support from CAO**

1.0 FTE Building Plan Review

- Financing Strategy-Volume & Fee Increase



Spending Increases

1 FTE Administrative Citations

Fiscal Impact				FTEs	Funding
General Fund		Special Fund		Additional	One-time
Spending	Revenue	Spending	Revenue	- 1 FTE - Part-time Hearing Officer	No
\$103,361+\$15,000	\$250,000+				
Description					
☐ Construction permits, business licenses, fire certificates, zoning, and animal laws: - Ensure public safety, public health, and community livability; ☐ Administrative citations will reduce unintended consequences and compliance times. - Civil penalties will replace criminal citations and the need to displace tenants. - Financial consequences will incentivize people to resolve issues in a timely manner.					
Which of the Mayor’s strategic objectives does this proposal support?					
Economic Justice __X__		Lifelong Learning ____		Community-first Public Safety __X__	
Department Strategic Objective		Promote neighborhood safety and livability.			

1 FTE Administrative Citations

Potential Financing Strategy

- **Final financing details currently under development**
- **Current scenarios and the experience of other cities support a full cost recovery model**
- **Potential Revenue Sources – Estimated in excess of \$250,000**
 - Existing
 - Administrative Law Judge fees (Licensing)
 - New
 - Replacement of existing compliance tools for all DSI divisions and other departments.

1 FTE Administrative Citations

Potential Financing Strategy

- Example – (Code Division):
 - Property maintenance violations result in an excessive consumption (EC) fee of \$122. This fee does not increase.
 - Replacing EC fees, after the first violation, with administrative citation fees, that double with subsequent violations, creates additional revenue.

THANK YOU FOR YOUR CONTINUED
SUPPORT!