



CITY OF SAINT PAUL

Mayor Christopher B. Coleman

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September 22, 2016

Council President Russ Stark and
Councilmembers
310D City Hall
Saint Paul, MN 55102

Dear Council President Stark and Councilmembers,

With this letter, I am vetoing Council Resolutions 16-1611(as amended) and 16-1624 (as amended) setting the maximum property tax levies for the City of Saint Paul and the Library Agency.

As I said last month, my proposed 2017 budget maintains our long-standing commitment to good financial stewardship, aims to strengthen our economy and grow jobs, makes important public safety investments and promotes equity for all residents. It is a budget that will move Saint Paul forward and it reflects many of the priorities we share.

To remind everyone, my 2017 budget proposal offered in August already includes more than \$1 million in across the board cuts as part of the solution to an \$11 million budget shortfall for 2017 – much of which was caused by either inflationary pressures or continued underfunding of LGA at the State. Despite these challenges, we are still making significant investments in our core services, such as public safety. My budget, for example, brings the sworn complement in our Police Department to an historic high of 620, up from 576 when I took office. It also maintains daily staffing at 114 in the Fire Department so that residents and guests in our city receive first-class fire suppression service and high quality health care from our first responders and paramedics.

Now, we are faced with the State's failure to hold a special session, which would have delivered an additional \$3 million in Local Government Aid (LGA) to the City of Saint Paul. Though I remain hopeful there will be action at the State, it is becoming increasingly unlikely that the State will deliver on its previous commitment. Meantime, State law requires us to take the important step of setting the ceiling for any possible tax levy increase in 2017 by the end of next week – with the final tax levy being approved by City Council alongside the budget in December.

The inaction at the State is a tough pill for all of us to swallow – both here in Saint Paul and across the state. Proposing a 4 percent levy increase in August was tough and pushing that to 6.94 percent to make up for the \$3 million LGA gap caused by the State's inaction was even tougher. But we cannot turn our backs on the investments needed to move our community forward – investments that will strengthen the middle class through equity, a focus on public safety and our long-standing commitment to fiscally responsible balanced budgets.

Bear in mind that if we were to close the \$3 million LGA gap caused by the State's inaction with budget cuts, we would need to eliminate all new programs included in my proposed 2017 budget – totaling \$885,000. We would also need to make another approximately \$2.1 million in across the board cuts from all operating departments. Such deep cuts would take firefighters, police officers and public safety inspectors off the street as the majority of the City's budget goes toward public safety. We would also be forced to make deep and painful cuts to our rec centers and libraries –

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closing a rec center and substantially reducing library hours citywide. We cannot go backwards as a community.

The Council majority voted yesterday to seek a maximum property tax levy increase of nearly 9 percent. I vehemently oppose this. As I said, the \$3 million gap caused by the State's inaction is already a tough pill for property taxpayers to swallow. Going above the amount required to cover the budget I delivered in August is misguided. I do hope you will sustain my veto and support the 6.94 percent maximum tax levy as originally proposed. As you know, if we remain at an impasse and are unable to pass something by the State's September 30 deadline, the maximum tax levy reverts to the amount of the 2016 levy.

Cities across the state are suffering from inaction at the state and federal level. Let's come together and do what is right for our community by making strategic investments and being responsible stewards of taxpayer dollars.

Sincerely,

A handwritten signature in black ink, reading "Christopher B. Coleman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Christopher B. Coleman
Mayor