



CITY OF SAINT PAUL

City Council Budget Prep



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Discussion Topics

- 2022 Budget Recap
- 2022 Property Tax Trends
- 2023 City Council Budget Phase

2022 Budget Recap



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2022 Budget Adoption Highlights

- Reduced property tax burden by reducing levy from 6.9% to 6.2%, a \$964,000 reduction.
- Restored critical positions across the city
- Ongoing support for Law Enforcement Career Academy
- Capital Improvement Budget: funding for Hamline Midway Library, North End Community Center, and Fire Station 7
- Used \$8.3M in ARP funds for budget stabilization and restorations with anticipated step off in 2023 and 2024
- Office of Neighborhood and Safety
- Implement semi-annual police academies to maintain staffing levels at current authorized strength (Pilot)
- Expand pedestrian and bicycle safety investments by an additional \$250,000
- Establish a city-wide equity training budget \$100,000
- Graffiti and plywood abatement \$100,000
- Create a \$1.6M neighborhood-level development fund



Budget Topics Discussed

- Parking Enforcement
 - Truck parking ordinance should mirror Minneapolis
 - Review CFPS commission recommendations on location of parking enforcement office
 - Review the number of PEO's, lowest staff in history
- 5-year street plan: How can we increase street maintenance and implement a residential mill and overlay program.
- Evaluate the staffing levels since with the implementation of two Police Academies
- Wire theft and lighting
- Project Home
- Review equity training budget and Chief Equity Officer position
- Neighborhood Development Fund
- Festival and Parade funding opportunity
- CIB Community Project year
- Centralized Fleet Management
- Housing Trust Fund and Inspiring Communities



Mid Year Budget Topics

- Inflation, utility, and fuels costs have significantly increased
- Salary negotiations
- Hiring new staff, salary turnover and attrition
- Rent Stabilization Ordinance
- Street Maintenance
- Obligated Debt Levy 1.65M



American Rescue Plan

Neighborhood Safety \$37.57M

- Traffic/Ped Safety
- Library, Parks and Rec Investments
- Public Safety Community Proposals and Grants

Housing \$38.5M

- Affordable Housing

Works Progress \$43.87M

- Workforce Investments
- Tourism Support and RiverCentre
- Lead Pipes

Vaccine and Public Health \$0.2M

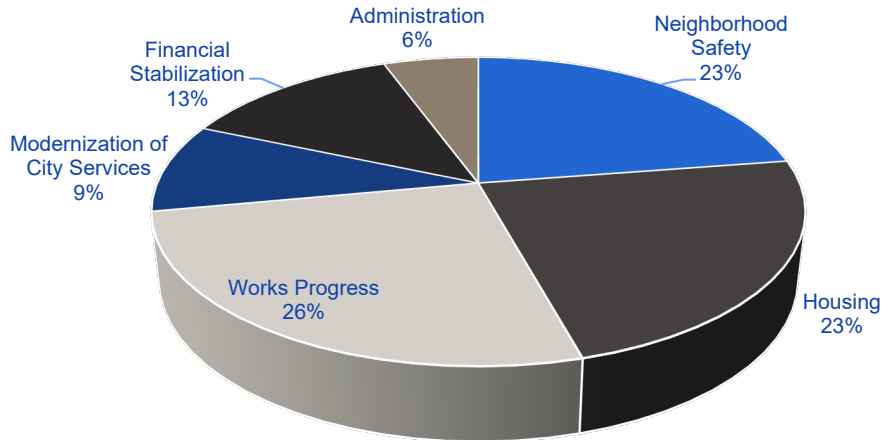
Modernization of City Services \$15.59M

- Asset Management
- Electronic Payments
- Snow Removal
- Smart Library Transformation
- Financial Stabilization
- Restoring positions and recognition pay

Administration \$9.33M

Total \$166.641M

American Rescue Plan Distribution





ARP Funding in 2022

- June 22: Receive second half funding, technical clean up, city payroll, 30% AMI Housing
- July 13: Neighborhood Safety \$10M, Workforce supports \$15.3M, Guaranteed Income \$4M, Asset management System \$5M, License Fee Reduction \$340,299, Water Lead Pipe \$10.5M
- Fall 2022: City Modernization, Family and Business Supports, Parking Fund Stabilization, COVID testing and vaccines, remaining 30% AMI

* Total allocated as of 7/28/2022 \$118,266,128 (\$48,375,496 remaining to be budgeted)

2022 Property Tax Trends



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City of Saint Paul Property Value *(from Assessors Report)*

City of Saint Paul Estimated Market Value

Residential	\$21,832,919,900	+13.27%
Commercial	\$3,429,636,800	+0.67%
Industrial	\$1,504,266,000	+6.95%
<u>Apartments</u>	<u>\$6,788,643,300</u>	<u>+14.32%</u>
Total	\$33,560,388,500	+11.76%

* The current value for the residential parcels in the Highland Bridge development for the 2022 assessment is \$46,700,400.

City of Saint Paul Median Value

Residential Rates	\$261,900 +15.37% (\$227,000 in 2021)
Commercial	\$500,900 +4.27% (\$480,400 in 2021)
Industrial	\$1,115,400 +4.28% (\$1,069,600 in 2021)
<u>Apartments</u>	<u>\$1,127,550 +9.97% (\$1,025,300 in 2021)</u>

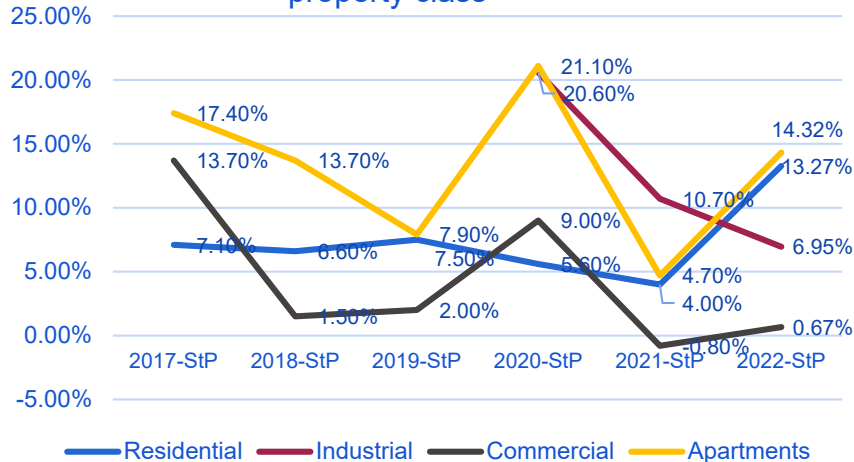
The chart below illustrates that the City of Saint Paul saw a slightly lower market value growth than the surrounding suburbs, this would indicate that there will be some tax shifts that may benefit Saint Paul property owners.

	Residential	Industrial	Commercial	Apartments	Overall
Saint Paul	13.27%	6.95%	0.67%	14.32%	11.76%
Ramsey County					
Suburbs	15.02%	11.38%	2.71%	21.45%	13.93%
Total	14.21%	9.55%	1.78%	17.00%	12.88%



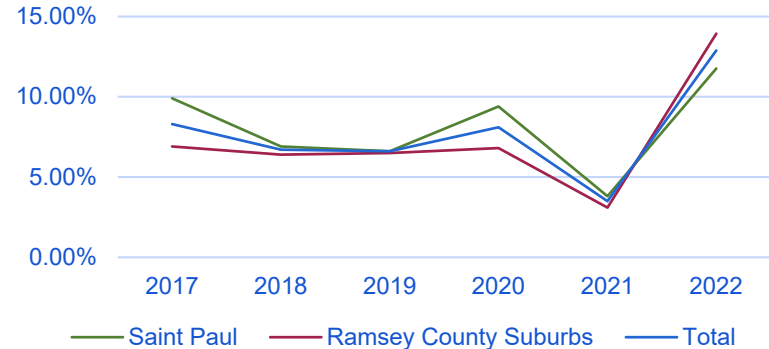
History of Property Value Growth

Property Value as a % change vs LY by property class



Apartments and commercial properties have had some significant growth years, the yellow and brown line. This year apartments and residential values are significantly up in 2022.

Property Value Growth: St.Paul, Suburbs, Total



- Saint Paul property value growth has outperformed total county growth, until this year. This should cause tax shifts to the suburban cities.
- All of Ramsey County including Saint Paul saw relatively low growth LY, 3.5% total. This year's increase is up 12.88% total, driven by residential and apartment growth.



Estimated Home Market Value History

	Median Estimated Home Market Values						% Change 20 vs. 21
	16-17	17-18	18-19	19-20	20-21	21-22	
Sunray/Battlecreek/Highwood	159,800	168,900	181,900	193,300	227,900	269,650	18.3%
Greater East Side	139,500	153,900	165,900	172,700	206,700	248,800	20.4%
West Side	134,400	144,250	158,600	171,600	196,300	217,100	10.6%
Dayton's Bluff	110,300	115,800	128,100	146,900	177,000	212,100	19.8%
Payne/Phalen	122,100	131,200	144,900	162,000	194,500	234,900	20.8%
North End	102,500	121,000	131,200	149,000	172,000	200,300	16.5%
Thomas Dale	100,400	111,700	129,900	154,100	170,300	200,100	17.5%
Summit/University	186,100	199,000	213,800	230,200	254,200	280,600	10.4%
West 7th	149,400	162,600	176,250	195,650	212,700	231,500	8.8%
Como	195,400	204,700	217,700	234,700	258,200	294,700	14.1%
Hamline/Midway	154,500	167,700	178,800	187,900	210,000	245,600	17.0%
St. Anthony Park	278,800	285,600	295,350	319,700	328,500	370,200	12.7%
Merriam Park/Snelling/Lexington/Hamline	266,500	287,600	301,200	324,000	342,300	383,500	12.0%
Macalester/Groveland	287,300	308,400	329,000	350,000	358,100	403,100	12.6%
Highland	281,500	292,900	313,600	334,950	347,500	384,250	10.6%
Summit Hill	355,800	367,600	381,500	402,450	432,200	477,000	10.4%
Downtown	152,600	160,200	169,500	179,500	188,700	186,400	-1.2%

Property values have seen significant property value increases this year. The greatest residential median value growth is seen in Payne/Phalen, Greater East Side, and Dayton's Bluff.

2023 City Council Budget Phase



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Budget Guiding Principles

Council Budget Phase 2023

- Balanced Budget
- Evidence based budget decisions
- Providing excellence in city and constituent service
- Focus on hiring critical positions and ensure competitive wages
- Budgets should be closely aligned with the city's strategic priorities
- Examine city processes and look for effective operational synergies to leverage resources
- The city shall continuously seek new and diverse revenues to limit the dependence on property taxes
- Maximize State and Federal Revenue opportunities
- The city shall charge fair and equitable fees for services where applicable and recover costs

DRAFT- Anything missing

City Council 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



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Budget Committee Calendar

Council Budget Phase 2023

DRAFT: City Council 2023 Budget Presentation Schedule (Subject to change, please check official Council calendar)

Date	Meeting Wednesday 10AM-11:30AM (unless noted otherwise)
8/24/2022	Mayor's Proposed Budget and Department of Safety and Inspections
9/7/2022	Fire Department and Police Department
9/7/2022	Library Board Meeting: Budget Presentation General Fund Changes 2:00pm
TBD	Ramsey County Tax Trends @ 3:30 City Council Meeting
9/14/2022	Parks and Recreation Department
9/14/2022	HRA Board Meeting: HRA/PED Budget Presentation 2:00pm
9/20/2022	Community Meeting at Como Pavillion 5:30pm
9/21/2022	Public Works
9/28/2022	City Attorney's Office/Office of Neighborhood Safety
10/5/2022	Follow-Up and Capital Improvement and Sales Tax
10/5/2022	Library Board Meeting: Budget Presentation 2:00pm
	Office of Technology and Communications and Human Rights and Equal
10/12/2022	Economic Opportunity
10/19/2022	Human Resources and American Rescue Plan
10/26/2022	Discuss Mayor's proposal and Council budget priorities
11/2/2022	5 year Street Plan and Debt Strategy
11/9/2022	Follow Up and Office of Financial Services and Office of Financial Empowerment
11/16/2022	RVCA
TBD	Truth in Taxation (after Nov 25)
12/7/2022	Budget Committee - Budget Adoption 3:30pm
12/14/2022	Must adopt budget by this date



Materials Requested from Departments

- Presentation
- FTE History, including vacancy status
- Fee Schedule if applicable



Community Engagement Opportunities





Key Dates

- Mayor Proposes the 2023 Budget 8/18/2022
- Council Budget Meetings Kick off 8/24/2022
- **Community meeting at Como Lakeside Pavilion 9/20/2022**
- Levy Limit Vote 9/21/2022
- Estimated Property Tax Statements Mailed 11/15/2022
- Truth in Taxation TBD
- Budget Adoption Vote 12/7/2022

Questions



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